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JEFFERSON DAVIS PARISH SCHOOL BOARD

Jennings, Louisiana

Basic Financial Statements

As of and for the Year Ended June 30, 2005

With Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-1-06

JEFFERSON DAVIS PARISH SCHOOL BOARD

Jennings, Louisiana

Basic Financial Statements

As of and for the Year Ended June 30, 2005

With Supplemental Information Schedules

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INDEPENDENT AUDITOR'S REPORT

To the Members of
The Jefferson Davis Parish School Board
Jennings, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Davis Parish School Board (School Board), as of and for the year ended June 30, 2005, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2005, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 4 through 15 and 47 through 50, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the

methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The supplemental information section which includes the combining and individual nonmajor fund financial statements, and other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the School Board. The combining and individual nonmajor fund financial statements, the other supplemental information schedules, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mike B. Gillespie, CPA, APAC

Jennings, Louisiana
December 12, 2005

REQUIRED SUPPLEMENTAL INFORMATION

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

JEFFERSON DAVIS PARISH SCHOOL BOARD
Jennings, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2005

The Management's Discussion and Analysis (MD&A) of the Jefferson Davis Parish School Board is intended to provide both an overview and review of the School Board's financial activities for the fiscal year ended June 30, 2005. The intent of the MD&A is to provide a meaningful discussion to interested financial statement users of the School Board's overall financial performance taken as a whole. Therefore, it should be read in conjunction with the School Board's financial statements, the notes to the financial statements, and any related supplementary information.

The MD&A is an element of the required supplementary information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* that was issued in June 1999. Certain comparative information between the current fiscal year (2004-2005) and the prior fiscal year (2003-2004) is required to be presented in the MD&A, and it is shown in the accompanying discussion.

Financial Highlights For The 2004-2005 Fiscal Year

- Net assets increased by \$1,761,870 for the fiscal year ended June 30, 2005. At June 30, 2005, the School Board's total net assets are \$32,907,419.
- The total net change in fund balance for the School Board was a decrease of (\$7,013,958) that was comprised of the following:

Increase in General Fund	\$ 576,193
Decrease in School District # 2 (Jennings)	
Capital Project Fund	(9,789,292)
Increase in all other governmental funds	<u>2,199,141</u>
Net decrease in total fund balance	<u>(\$7,013,958)</u>

The decrease in School District # 2 Capital Project Fund was due to the construction progress payments on the new Jennings High School construction made during the 2004-2005 fiscal year. All other changes in fund balances, including the General Fund, fall within normal ranges.

- Sales taxes collected for the General Fund increased by approximately 4½% during the 2004-2005 fiscal year as compared to the previous year. The total sales taxes collected for the General Fund was \$7,304,887. This was the second consecutive year that the General Fund sales tax collections grew by 4½%.

JEFFERSON DAVIS PARISH SCHOOL BOARD
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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2005

- Ad valorem taxes collected for the General Fund showed a modest increase of approximately 2.3% during the 2004-2005 fiscal year.
- Sales taxes and ad valorem taxes collected for debt service by the School Board increased slightly by approximately 1.7% during the year. There appears to be no specific cause for the increase other than normal year-to-year fluctuations in collections.
- The largest single revenue source continues to be the Minimum Foundation Program (MFP) distribution from the State, which was approximately \$27.0 million for this fiscal year. The MFP funding calculation is based to a large extent upon the verified student enrollment in existence at October 1, 2004 times an applied per pupil contribution amount. The base per pupil contribution for the 2004-2005 fiscal year was \$3,459 per student, up from a per student contribution of \$3,366 for the 2003-2004 fiscal year.
- By requirement of state law, the School Board had to dedicate at least half of any MFP growth funds received for the fiscal year to certificated pay raises (those positions requiring a Louisiana teaching certificate). "MFP growth funds" are defined as the excess of Level 1 and Level 2 MFP funding received in the current year over that received in the prior year. For 2004-2005, the minimum amount that must have been applied towards certificated pay raises was \$211,749. The School Board exceeded this requirement by applying over \$220,500 to 2004-2005 certificated pay raises.
- The Jefferson Davis Parish School Board participates in the state-sponsored group health insurance plan that is operated by the Louisiana Office of Group Benefits (OGB). Required employer premium contributions on behalf of active and retired employees to the OGB increased by approximately \$489,000 without any additional funding received from the State for this purpose. The principal reason for the increase was a rise in the total premium cost (employer and employee portion combined) increased of about 11%, which is indicative of current state of the health care industry.
- The largest federally funded program is the School Food Service/Child Nutrition program, which received approximately \$1.62 million in federal funds during the 2004-2005 fiscal year. Title I, a program to assist the education of economically disadvantaged children, received approximately \$1.51 million during the same time period. The School Board also received federal special education funds through the IDEA program of about \$1 million. Other federal grants received during the year target such areas as the education of migrant children, teacher training and hiring, technology acquisition and development, vocational education, and adult education.

JEFFERSON DAVIS PARISH SCHOOL BOARD
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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2005

Using This Annual Financial Report

This annual financial report consists of a series of financial statements and the associated notes to those statements. These statements are organized so that the reader can understand the operations of the School Board as an entire operating entity. The Basic Financial Statements Section, consisting of the Statement of Net Assets and the Statement of Activities (see pages 17 and 18), provide highly consolidated financial information for the entire School Board taken as a whole. The Statement of Net Assets and the Statement of Activities present an aggregate view of the School Board's financial position, and they seek to answer the question, "Is the School Board as a whole better off or worse off as a result of last year's activities?" These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the basis of accounting used by most private-sector entities. All of the revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the School Board's net assets and changes in them. You can think of the School Board's net assets, which is the difference between the assets and liabilities, as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net assets are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors, such as changes in the property or sales tax base within Jefferson Davis Parish, the maintenance needs and condition of the School Board's facilities, the cost of unfunded mandates passed onto the School Board, and other external factors of this nature in order to assess the overall financial health of the School Board.

The School Board's educational mission is defined as "governmental activities" in the Statement of Net Assets and the Statement of Activities. In this context, "governmental activities" represent the basic functions of the School Board, including all instructional services, support services, and child nutrition programs. These activities are primarily financed through state MFP funding, other federal and state grants, and local sales and property taxes.

The next section of the annual report is the Fund Financial Statements section, beginning on page 19 that provides a more in-depth reporting of the School Board's financial position and results of operations of the most significant funds – not the School Board as a whole. Some funds are required to be established by State law and some by bond covenants. Other funds are established to show that the School Board is meeting its legal responsibilities for the specific uses of certain taxes, grants, and other such monies. These statements as presented should be familiar to those who have read published governmental financial statements published in previous years.

JEFFERSON DAVIS PARISH SCHOOL BOARD
Jennings, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2005

The Fund Financial Statements segregate the School Board's operations into two types of funds, governmental funds and fiduciary funds. Governmental funds are established to account for most of the School Board's basic services, which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported under the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed short-term view of the School Board's general government operations and the educational services that it provides. These statements indicate both the sources and uses of funds, as well as those resources available for spending in future years. The relationship between *governmental activities*, as shown in the Statement of Net Assets and Statement of Activities, and *governmental funds* is described in a reconciliation schedule (see Statement C) in the Fund Financial Statements section.

The School Board is the trustee, or fiduciary, for the Jefferson Davis Parish sales tax collections and the school activity funds. The School Board serves as the sales tax collector for Jefferson Davis Parish and maintains sales tax collections that are due to the other taxing districts located in the parish. Also, the School Board's fourteen schools have their own operating funds that are held in trust for the operations of the schools. The Fiduciary Funds Statement of Net Assets (see Statement G) provides some information as to the amount of funds held in trust. More detail of the specific amount of funds held in trust by the sales tax collection department and the schools is provided in Schedules 10, 11-1, and 11-2 on pages 80-82.

The School Board As A Whole

The total net assets of the School Board as of June 30, 2005 (as stated on the Statement of Net Assets, Statement A on page 17) were \$32.9 million, which is a net increase of \$1.8 million over the previous year. The makeup of this amount is summarized below in Table 1. The main reason for the increase is an addition in capital assets classified as construction in progress from the ongoing construction of new Jennings High School, net of the additional long-term debt issued by School District # 2 to finance the construction. Other fluctuations in the amount of net assets during the 2004-2005 fiscal year are considered to be normal and are explained in Table 2.

JEFFERSON DAVIS PARISH SCHOOL BOARD
Jennings, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2005

Table 1
Net Assets of the Jefferson Davis Parish School Board
June 30, 2005 and June 30, 2004
(in millions)

	Governmental Activities at	
	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Current and other assets	\$ 37.8	\$ 43.3
Capital assets	<u>41.3</u>	<u>32.1</u>
Total assets	<u>79.1</u>	<u>75.4</u>
Long-term debt outstanding	(36.3)	(35.8)
Other liabilities	<u>(9.9)</u>	<u>(8.5)</u>
Total liabilities	<u>(46.2)</u>	<u>(44.3)</u>
Net assets:		
Invested in capital assets, net of debt	11.5	10.6
Restricted	5.0	5.5
Unrestricted	<u>16.4</u>	<u>15.0</u>
Total net assets	<u>\$ 32.9</u>	<u>\$ 31.1</u>

As reported in the Statement of Activities (Statement B on page 18), the School Board's net assets increased by \$1.8 million during the fiscal year ended June 30, 2005 (which is summarized in Table 2).

Table 2
Changes in Net Assets of the Jefferson Davis Parish School Board
Fiscal Years Ended June 30, 2005 and June 30, 2004
(in millions)

	Governmental Activities at	
	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Revenues		
Program Revenues:		
Charges for services	\$ 0.8	\$ 0.7
Operating grants and other contributions	6.5	6.8
General Revenues:		
Property taxes	5.4	5.4
Sales taxes	8.4	8.0
Other taxes	0.3	0.3
State minimum foundation funding (MFP)	27.0	26.0
Interest and investment earnings	0.8	0.5
Miscellaneous	<u>0.8</u>	<u>0.4</u>
Total revenues	<u>\$ 50.0</u>	<u>\$ 48.1</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD
Jennings, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2005

Program Expenses

Instructional services	26.7	25.6
Support services	15.5	15.2
Non-instructional services	3.7	3.5
Interest on long-term debt	1.7	1.5
Depreciation expense not included above	<u>0.6</u>	<u>0.6</u>
Total expenses	<u>\$ 48.2</u>	<u>\$ 46.4</u>
Increase (decrease) in net assets	\$ 1.8	\$ 1.7
Net assets, beginning balance	31.1	29.6
Prior Period Adjustment	<u>(0.0)</u>	<u>(0.2)</u>
Net assets, ending balance	<u><u>\$ 32.9</u></u>	<u><u>\$ 31.1</u></u>

Explanations of significant differences are as follows:

- The School Board received additional MFP funds from the State of \$1.0 million in the 2004-2005 fiscal year, principally due to an increase in Level 2 funding as a reward for raising additional taxes to pay for local education. In addition, the School Board received an increase in Level 3 funding for certificated pay raises that was explained earlier.
- Instructional services expenses increased \$1.1 million and support services expenses increased \$0.3 million over the previous year, primarily due to the cost of increased salaries and benefits paid to employees that are classified within each section.

All other fluctuations in revenues and expenses shown in Table 2 between the 2004-2005 and the 2003-2004 fiscal years are considered normal in scope and nature.

Table 3
Changes in Total Cost and Net Cost of Governmental Activities
of the Jefferson Davis Parish School Board
Fiscal Years Ended June 30, 2005 and June 30, 2004
(in millions)

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>06/30/05</u>	<u>06/30/04</u>	<u>06/30/05</u>	<u>06/30/04</u>
Regular education programs	\$ 16.6	\$ 16.7	\$ 16.2	\$ 16.3
Special education programs	5.8	5.2	4.9	4.5
All other instructional programs	4.3	3.7	2.2	1.4
Instructional staff support services	2.7	2.8	1.6	1.6

JEFFERSON DAVIS PARISH SCHOOL BOARD
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June 30, 2005

School administrative services	2.9	2.8	2.8	2.8
Plant operations and maintenance	3.8	3.8	3.7	3.7
Student transportation services	2.1	2.0	2.0	1.9
School food and nutrition services	3.5	3.4	1.3	1.2
Interest on long-term debt	1.7	1.5	1.7	1.5
All other programs and services	4.8	4.5	4.5	4.0
Totals	<u>\$ 48.2</u>	<u>\$ 46.4</u>	<u>\$ 40.9</u>	<u>\$ 38.9</u>

Table 3 presents both the total cost of each of the School Board's largest categories of expenses and their related net cost (total cost less revenues generated by the activities) for both the 2004-2005 and 2003-2004 fiscal years. The presentation of the net cost shows the financial burden that was placed on the School Board's taxpayers by these functions. As reported in the Statement of Activities, the total cost of the School Board's governmental activities was \$48.2 million in fiscal year 2004-2005, however, not all of this cost was borne by the parish taxpayers. Of this amount, \$0.8 million was paid by those who used or benefited from the services rendered (for example, charges for school lunches and summer school tuition), and \$6.5 million of the cost of services was financed from federal and state grants. As a result, the taxpayers of Jefferson Davis Parish paid a net cost of \$40.9 million for K-12 public education services during fiscal year 2004-2005.

The principal reason for cost increases from the 2003-2004 to the 2004-2005 fiscal years was predominately the increases in employee salaries and benefits previously discussed in this MD&A.

The School Board's Funds

The School Board uses funds to control and manage money for particular purposes, such as dedicated expenditures of taxes or grant programs. The fund financial statements contained in this annual report allow the School Board to demonstrate its stewardship and control of resources provided by taxpayers and other entities. These statements also allow the reader to obtain more insight into the overall financial health of the School Board.

The School Board ended its fiscal year on June 30, 2005 with a total combined fund balance of \$28.1 million. Table 4 provides a summary of the makeup of the \$28.1 million by fund category:

JEFFERSON DAVIS PARISH SCHOOL BOARD
Jennings, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2005

Table 4
Summary of Fund Balances of the Jefferson Davis Parish School Board
Fiscal Year Ended June 30, 2005
(in millions)

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total All Funds</u>
Reserved	\$ 0.4	\$ 0.1	\$ 0.0	\$ 0.0	\$ 0.5
Unreserved:					
Designated	10.5	0.0	0.0	0.0	10.5
Undesignated	<u>8.8</u>	<u>1.8</u>	<u>3.3</u>	<u>3.2</u>	<u>17.1</u>
Totals	<u>\$ 19.7</u>	<u>\$ 1.9</u>	<u>\$ 3.3</u>	<u>\$ 3.2</u>	<u>\$ 28.1</u>

The fund balance in the Capital Projects Funds represents the excess of funding received from bond sales over the amount of construction expenditures incurred to date. The construction of the new high school in School District # 2 (Jennings) was substantially complete as of the end of the fiscal year, leaving the renovations of the Lake Arthur area schools (School District # 1) as the largest construction project still in progress. The fund balance in School District # 1 Construction Fund is \$ 1.9 million at June 30, 2005.

General Fund Budgetary Highlights

Over the course of the year, the School Board revises its budget to take into consideration any significant changes in revenues or expenditures. Louisiana Revised Statute 36:1311 requires a budget amendment if either expected revenues are less than budgetary goals by 5% or more or if anticipated expenditures are greater than budgetary goals by 5% or more. The School Board adopted the original budget on August 19, 2004. The first budget revision was adopted in March 2005 after final funding figures were received from the state. The final budget revision was adopted on July 21, 2005.

Schedule 1, on pages 48 and 49 of this annual report, shows the School Board's original and final budgets compared with the actual operating results. The School Board generally did better in its General Fund than what was originally budgeted. The School Board utilizes conservative budgeting practices in establishing its original budget. Revenues are forecasted at safe, conservative levels while expenditures are budgeted with worst-case scenarios in mind. In particular, the School Board utilizes a strict staffing formula whereby salaried positions are eliminated with declines in the amount of students, which causes a drop in state funding. This is done to ensure that the original budget of the School Board will be able to sustain its needed level of operations with anticipated available resources whose existence can be established with a reasonable amount of certainty.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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A comparison of the final budget revision with the actual operating results shows that the School Board did slightly better than budgeted. The principal reason for this was due to revenues received from other local sources was about \$70,000 more than budgeted. Also, interest earnings collected for the General Fund were \$34,000 more than budgeted. The difference between final budgeted expenditures and actual expenditures was less than 1%, which is considered to be a negligible amount. The excess of revenues over expenditures in the General Fund was approximately \$576 thousand. This excess will be rolled into the beginning General Fund Balance for the 2005-2006 fiscal year to help offset the increased cost of employee salaries and related benefits, as explained elsewhere in this MD&A.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2005, the School Board had invested approximately \$41.3 million (net of accumulated depreciation) in a variety of capital assets, including land, buildings, furniture, vehicles, computers, and other such items. Table 5, shown below, summarizes the capital asset activity for the current and previous fiscal years.

Table 5
Balance in Capital Assets (net of depreciation)
of the Jefferson Davis Parish School Board
June 30, 2005 and 2004
(in millions)

	<u>2005</u>	<u>2004</u>
Land	\$ 1.5	\$ 1.4
Construction in Progress	22.0	12.2
Buildings	15.4	16.0
Furniture	1.8	2.0
Vehicles	0.6	0.5
Totals	<u>\$ 41.3</u>	<u>\$ 32.1</u>

The increase in Construction in Progress was due to the ongoing Jennings High School construction as well as the renovations to the Lake Arthur area schools. The increase in Land is attributable to the recent purchase of two tracts of land adjacent to the Welsh High School and Welsh Elementary School locations. These properties will be used for additional parking or for future expansion.

JEFFERSON DAVIS PARISH SCHOOL BOARD
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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2005

Debt

At year-end, the School Board had \$36.3 million in long-term debt outstanding versus \$35.8 million last year. This is a 1.4% increase over the previous year, which is illustrated in Table 6 below:

Table 6
Outstanding Debt at Year-End of the Jefferson Davis Parish School Board
June 30, 2005 and 2004
(in millions)

	<u>2005</u>	<u>2004</u>
General obligation bonds	\$ 34.0	\$ 33.5
Compensated absences	<u>2.3</u>	<u>2.3</u>
Totals	<u>\$ 36.3</u>	<u>\$ 35.8</u>

One new bond issue was sold during the 2004-2005 fiscal year. The first installment for the renovations of the Lake Arthur school (School District # 1) was a \$2 million bond issue sold in 2005. A second installment of \$1 million will be sold in the next fiscal year to complete the financing of the renovations. In addition, a \$3.31 million refunding issue was sold in 2005 to refinance an existing general obligation issue of the Welsh area school district (Consolidated School District #1). Other long-term obligations include accruals for accumulated sick leave and vacation pay.

Economic Factors And Next Year's Budget

Jefferson Davis Parish is a rural community without much in the way of an industrial or business tax base. As a result, there has been a slow and steady decline in the student population over the last ten years, predominately caused by a lack of jobs for workers in the area. A drop in the number of students means a decline in the amount of funds received from the State through its MFP funding plan. Fortunately, the State has steadily increased its per pupil funding level over the last several years which has offset the loss of income due to the decline in students. In addition, the School Board adopted a staffing formula for its school system in which the number of professional and support employees at each location is largely determined by the student count. By the terms of the staffing formula, a decrease in the number of students triggers a reduction in the number of employee positions, and vice versa should there be an increase in a school's student count. This staffing formula is largely responsible for keeping the General Fund in sound financial condition as it allows the School Board to control the amount of spending for employee salaries and benefits, which comprises approximately 89% of its total budget.

JEFFERSON DAVIS PARISH SCHOOL BOARD
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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2005

The property tax and sales tax bases have shown a trend of modest growth over the last five years. A reassessment of property values in the parish during 2002 as ordered by the State Legislative Auditor resulted in a increase in property values in each district in the parish except for one. The increase in property values resulted in additional income from property taxes to the School Board. The 2004 reassessment reported a modest increase in property values in all taxing districts, except for one (School District # 1, Lake Arthur) that showed reported a minor decrease.

Sales tax collections increased by 4.5% in fiscal year 2005 as compared to collections in fiscal year 2004. The sales tax base in the parish is expected to show moderate growth in the immediate future due to the culmination of several parish-wide projects that are forecasted to provide a boost to economic development within the parish. The new Veterans Administration facility, the Lacassine industrial complex expansion, and the new Jennings High School project should combine to cause a spurt in the local economy, thereby increasing the sales tax base for future years.

Since 2000, all seven school districts comprising the Jefferson Davis Parish School Board have passed bond elections to raise funds for either the renovation of existing school facilities or the construction of new schools. The last of the renovations will be completed in the summer of 2006. This is a very positive statement for the support of public education with Jefferson Davis Parish.

Although the School Board is still in good financial condition, there is cause for concern for the 2005-2006 fiscal year. The recent twin tragedies of Hurricane Katrina and Hurricane Rita have inflicted a heavy toll on the economic resources of the state of Louisiana that will take years from which to recover. The New Orleans area that was severely damaged by Hurricane Katrina by itself accounts for 35% of the state tax base. State government is only now coming to grips with the magnitude of the problem. Approximately 68% of the total School Board budget comes from state sources. It is only logical to conclude that the economic impact imposed by the recent hurricanes will have some effect on the ability of the state to fully fund its financial commitment to public education either up to pre-hurricane levels or for previously planned future increases in funding. Right now, it is just too early to tell what will happen on this matter and how it will affect the Jefferson Davis Parish School Board.

Increased employee benefits costs passed on to the School Board without additional funding from the state also have continued to damper our economic outlook. Employer retirement contribution rates for the various employee retirement systems continue to rise along with such big-ticket costs as group health insurance premiums, property insurance, general liability insurance, etc. These factors alone will cause the School Board's General Fund to absorb a substantial increase in its 2005-2006 budget. The School Board is actively pursuing cost-saving measures to cope with these financial burdens.

JEFFERSON DAVIS PARISH SCHOOL BOARD
Jennings, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2005

Contacting The School Board's Financial Management

This annual report is designed to provide a general overview of the School Board's financial condition and operations. However, citizen groups, taxpayers, parents, students, other parish officials, investors, and creditors may desire to obtain additional details. Please either write the Director of Finance at the Jefferson Davis Parish School Board Central Office at P. O. Box 640, Jennings, Louisiana 70546 or call at (337) 824-1834 during normal business hours should you require any additional information about the material contained in this annual report.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

JEFFERSON DAVIS PARISH SCHOOL BOARD
Statement of Net Assets
June 30, 2005

Statement A

ASSETS

Cash and interest-bearing accounts	\$ 22,480,683
Restricted cash and interest-bearing accounts	573,250
Investments	11,093,890
Receivables, net	2,751,094
Inventory	436,914
Prepaid items	8,000
Deferred charges, net	363,713
Capital assets:	
Land and construction in progress	23,481,208
Exhaustable capital assets, net of depreciation	17,864,668

TOTAL ASSETS

79,053,420

LIABILITIES

Accounts payable	665,583
Contracts payable	2,088,724
Payroll deductions, withholdings, and accrued salaries payable	5,202,345
Interest payable	578,245
Deposits due others	16,506
Deferred revenue	1,266,158
Long-term liabilities:	
Due within one year	1,616,270
Due in more than one year	34,712,170

TOTAL LIABILITIES

46,146,001

NET ASSETS

Invested in capital assets, net of related debt	11,454,265
Restricted for:	
Debt service	2,556,878
Capital projects	542,422
Maintenance	1,720,198
School food service	183,125
Unrestricted	16,450,531

TOTAL NET ASSETS

\$ 32,907,419

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH SCHOOL BOARD
Statement of Activities
For the Year Ended June 30, 2005

Statement B

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
FUNCTIONS/PROGRAMS				
Governmental activities:				
Instruction:				
Regular programs	\$ 16,588,822	\$ 127,029	\$ 248,868	\$ (16,212,925)
Special education programs	5,786,488		840,836	(4,945,652)
Vocational programs	1,623,196		90,432	(1,532,764)
All other instructional programs	2,685,626	55,550	1,969,225	(660,851)
Support services:				
Student services	2,051,850		199,332	(1,852,518)
Instructional staff support	2,742,918		1,097,610	(1,645,308)
General administration	1,091,109	108,672	11,990	(970,447)
School administration	2,858,267		11,966	(2,846,301)
Business services	524,476		36,488	(487,988)
Plant operation and maintenance	3,781,100		80,177	(3,700,923)
Student transportation services	2,086,328	36,946	29,297	(2,020,085)
Central services	382,168		154,549	(227,619)
Non-instructional services:				
Food services	3,453,861	475,297	1,678,253	(1,300,311)
Community service programs	35,066			(35,066)
Intergovernmental	241,017		56,815	(184,202)
Interest on long-term debt	1,657,888			(1,657,888)
Depreciation expense not included in other functions	637,044			(637,044)
Total Governmental Activities	48,227,224	803,494	6,505,838	(40,917,892)
General revenues:				
Taxes:				
Property taxes, levied for general purposes				2,021,523
Property taxes, levied for debt service				2,039,319
Property taxes, levied for building and repair				1,365,690
Sales taxes, levied for general purposes				7,304,887
Sales taxes, levied for debt service				1,073,956
State revenue sharing				291,930
Grants and contributions not restricted to specific purposes:				
State source: Minimum foundation program net of restricted				
School Lunch Program Revenue portion of \$43,747				26,995,205
Interest and investment earnings				830,123
Miscellaneous				757,129
Total general revenues				42,679,762
Changes in net assets				1,761,870
Net assets -beginning				31,145,549
Net assets -ending				\$ 32,907,419

The accompanying notes are an integral part of this statement.

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS (FFS)

JEFFERSON DAVIS PARISH SCHOOL BOARD
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2005

Statement C

	General Fund	School District No. 2 Capital Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and interest-bearing accounts	\$ 12,341,542	\$ 3,262,037	\$ 6,877,104	\$ 22,480,683
Restricted cash & interest-bearing accounts	-	-	573,250	573,250
Investments	11,093,890	-	-	11,093,890
Receivables	1,149,029	-	1,428,136	2,577,165
Interfund receivables	977,297	-	-	977,297
Inventory	305,150	-	131,764	436,914
Prepaid items	8,000	-	-	8,000
TOTAL ASSETS	<u>25,874,908</u>	<u>3,262,037</u>	<u>9,010,254</u>	<u>38,147,199</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	393,311	-	272,272	665,583
Contracts payable	-	1,963,111	125,613	2,088,724
Payroll deductions, withholdings, and accrued salaries payable	4,669,111	-	533,234	5,202,345
Interfund payables	-	-	977,297	977,297
Deposits due others	-	-	16,506	16,506
Deferred revenue	1,070,032	-	22,197	1,092,229
Total Liabilities	<u>6,132,454</u>	<u>1,963,111</u>	<u>1,947,119</u>	<u>10,042,684</u>
FUND BALANCES				
Reserved	398,619	-	109,567	508,186
Unreserved:				
Designated	10,505,404	-	-	10,505,404
Undesignated reported in:				
General fund	8,838,431	-	-	8,838,431
Special revenue funds	-	-	1,793,756	1,793,756
Debt service funds	-	-	3,135,123	3,135,123
Capital projects funds	-	1,298,926	2,024,689	3,323,615
Total Fund Balances	<u>19,742,454</u>	<u>1,298,926</u>	<u>7,063,135</u>	<u>28,104,515</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 25,874,908</u>	<u>\$ 3,262,037</u>	<u>\$ 9,010,254</u>	<u>\$ 38,147,199</u>

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH SCHOOL BOARD
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2005

Statement D

Total Ending Fund Balances - Governmental Funds (Statement C) **\$ 28,104,515**

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Costs of capital assets	71,336,600	
Accumulated depreciation	<u>(29,990,724)</u>	41,345,876

Bond issue costs are not financial resources and therefore are not reported as assets in governmental funds.

Bond issue costs	445,609	
Accumulated amortization	<u>(81,896)</u>	363,713

Deferred charges on bond refundings are not financial resources and therefore are not reported as assets in governmental funds.

Deferred charges on bond refundings	322,070	
Accumulated amortization	<u>-</u>	322,070

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Bonds payable	34,324,000	
Interest payable	578,245	
Compensated absences payable (sick leave and vacations)	<u>2,326,510</u>	(37,228,755)

Net Assets (Statement A) **\$ 32,907,419**

JEFFERSON DAVIS PARISH SCHOOL BOARD
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2005

Statement E
(Continued)

	<u>General Fund</u>	<u>School District No. 2 Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 1,897,013	\$ -	\$ 3,405,009	\$ 5,302,022
Sales and use taxes	7,304,887	-	1,073,956	8,378,843
Parish contribution to retirement fund	124,510	-	-	124,510
Collection fees from municipalities	108,672	-	-	108,672
Tuition	182,579	-	-	182,579
Interest earnings	494,197	168,685	146,161	809,043
Food services	-	-	475,297	475,297
Other local revenue	737,732	878	21,751	760,361
State sources:				
Equalization	26,188,952	-	850,000	27,038,952
Restricted grants-in-aid	746,166	-	-	746,166
Revenue sharing	210,031	-	81,899	291,930
Other state revenues	14,918	-	-	14,918
Federal sources	-	-	5,751,151	5,751,151
Total Revenues	<u>38,009,657</u>	<u>169,563</u>	<u>11,805,224</u>	<u>49,984,444</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	16,144,404	-	412,580	16,556,984
Special education programs	4,953,874	-	804,138	5,758,012
Vocational programs	1,471,685	-	87,788	1,559,473
All other instructional programs	1,101,333	-	1,595,241	2,696,574
Support services:				
Student services	1,851,181	-	189,879	2,041,060
Instructional staff support	1,780,715	-	945,811	2,726,526
General administration	947,089	34,400	116,333	1,097,822
School administration	2,816,852	-	55,927	2,872,779
Business services	510,609	-	378	510,987
Plant operation and maintenance	3,113,266	(1,098)	661,092	3,773,260
Student transportation services	2,169,794	-	27,436	2,197,230
Central services	255,396	-	129,197	384,593
Non-instructional services:				
Food services	470,459	-	2,947,857	3,418,316
Community service programs	35,066	-	-	35,066
Intergovernmental	-	184,202	56,815	241,017
Facilities acquisition and construction	-	9,741,351	212,282	9,953,633
Debt service:				
Principal retirement	-	-	1,470,000	1,470,000
Interest	-	-	1,623,207	1,623,207
Bond issuance and other costs	-	-	116,089	116,089
Total expenditures	<u>37,621,723</u>	<u>9,958,855</u>	<u>11,452,050</u>	<u>59,032,628</u>

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH SCHOOL BOARD
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2005

Statement E
(Concluded)

	<u>General</u>	<u>School Distribrt No. 2 Capital Project</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>387,934</u>	<u>(9,789,292)</u>	<u>353,174</u>	<u>(9,048,184)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	-	30	30
Operating transfers out	-	-	(30)	(30)
Indirect costs	187,844	-	(187,844)	-
Proceeds from sale of bonds	-	-	2,000,000	2,000,000
Refunding bonds issued	-	-	3,310,000	3,310,000
Payment to bond refunding escrow agent	-	-	(3,287,070)	(3,287,070)
Proceeds from sale of fixed assets	415	-	10,881	11,296
Total other financing sources (uses)	<u>188,259</u>	<u>-</u>	<u>1,845,967</u>	<u>2,034,226</u>
NET CHANGES IN FUND BALANCES	576,193	(9,789,292)	2,199,141	(7,013,958)
FUND BALANCES BEGINNING OF YEAR	<u>19,166,261</u>	<u>11,088,218</u>	<u>4,863,994</u>	<u>35,118,473</u>
FUND BALANCES END OF YEAR	<u>\$ 19,742,454</u>	<u>\$ 1,298,926</u>	<u>\$ 7,063,135</u>	<u>\$ 28,104,515</u>

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH SCHOOL BOARD
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2005

Statement F

Total Net Change in Fund Balances - Governmental Funds (Statement E) **\$ (7,013,958)**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period:

Depreciation expense	(1,275,029)	
Capital outlays	<u>10,561,319</u>	9,286,290

The net effect of various transactions involving capital assets (ie., sales, trade-ins, and contributions) is to decrease net assets		(34,624)
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. The amount by which proceeds exceeded repayments was derived as follows:

General obligation debt issued	(2,000,000)	
General obligation refunding debt issued	(3,310,000)	
Payments to agent to refund debt	3,287,070	
General obligation debt repayments to bondholders	<u>1,470,000</u>	(552,930)

In the statement of activities, certain operating expenses - compensated absences (sick leave and vacations) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, sick leave and vacation pay earned exceeded the amounts used as follows:

Compensated absences used / paid	379,403	
Compensated absences earned	<u>(375,992)</u>	3,411

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the statement of activities is the net result of two factors as follows:

Increase in accrued interest payable	(15,481)	
Amortization of bond issue cost	<u>(19,200)</u>	(34,681)

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The current period amortization of all bond issue cost is shown as an adjustment to interest expense above. This amount is the current period bond issue costs which have been deferred.

108,362

Change in Net Assets of Governmental Activities (Statement B)		\$ <u>1,761,870</u>
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JEFFERSON DAVIS PARISH SCHOOL BOARD
FIDUCIARY FUNDS
Statement of Fiduciary Net Assets
June 30, 2005

Statement G

	<u>Total Agency Funds</u>
ASSETS	
Cash and interest-bearing accounts	\$ 1,300,459
TOTAL ASSETS	<u>\$ 1,300,459</u>
LIABILITIES	
Due to other governments	\$ 408,321
Deposits due others	892,138
TOTAL LIABILITIES	<u>\$ 1,300,459</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

The Jefferson Davis Parish School Board (the School Board) was created by Louisiana Revised Statute (R.S.) 17:51 to provide public education for the children within Jefferson Davis Parish. The School Board is authorized by R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of 13 members who are elected from 13 districts for terms of four years.

The school system is comprised of a central office, 14 schools, and 4 educational support facilities (Lunch Service Warehouse, Media Center, Pupil Appraisal Center, and Technology & Maintenance Center). Enrollment as of October, 2004 was approximately 5,723 regular and special education students. The School Board employs approximately 800 people, providing instructional and ancillary support such as general administration, repair and maintenance, food services, bus transportation, etc. The regular school term normally begins in late August and ends in late May.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of GASB Statement 14, the School Board is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Based on the criteria of GASB Statement 14, the School Board has no *component units*, defined as other legally separate organizations for which the elected School Board members are financially accountable, which are required to be included in the accompanying financial statements.

B. Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (GWFS) report information on all of the nonfiduciary activities of the School Board. For the most part, the effect of interfund activity has been removed from these statements.

The statement of net assets presents information on all of the School Board's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the School Board is improving or deteriorating.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense which can be specifically identified by function is included in the direct expense of each function. The School Board reports all building depreciation separately as an unallocated indirect expense since most of the buildings serve more than just a few functions. Interest on long-term bonded debt is considered an indirect expense and is reported separately on the statement of activities. Program revenues include 1) charges to customers

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate fund financial statements (FFS) are provided for governmental funds and fiduciary funds, even though the latter are excluded from the GWFS. Major individual governmental funds are reported as separate columns in the fund financial statements.

The accounts of the School Board are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The various funds are summarized by type in the financial statements. The following fund types are used by the School Board:

Governmental Funds. Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use, and balances of the School Board's expendable financial resources and the related liabilities are accounted for through governmental funds. The School Board reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the School Board. It is used to account for all financial resources except those required to be accounted for in another fund.

School District No. 2 Capital Project Fund – This fund is used to account for the financial resources to be used for the acquisition or construction of capital facilities in School District No. 2 not reported in other governmental funds.

Additionally the School Board reports nonmajor funds in the following fund types:

Special Revenue Funds – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds – are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. These funds receive dedicated ad valorem taxes and a dedicated portion of sales taxes paid to the School Board.

Capital Projects Funds – account for financial resources received and used for the acquisition, construction, or improvement of major capital facilities not reported in other governmental funds.

Fiduciary Funds. Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. Fiduciary funds include:

Agency Funds – The Agency Funds are used to account for assets held by the School Board as an agent for other parties. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The *School Activity Agency Fund* accounts for monies collected by students and school personnel for school or school-related purposes and the *Sales and Use Tax Agency Fund* accounts for the collection of sales and use taxes, which are accumulated and distributed monthly for several other governmental agencies, the General Fund, and the Sales Tax District No. 1 Debt Service Fund.

JEFFERSON DAVIS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS

C. Basis of Accounting and Measurement Focus

Government-Wide Financial Statements (GWFS)

The statement of net assets and the statement of activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirement of GASB Statement 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decrease (expenditures and other financing uses) in net current assets.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds (General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds) are maintained on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., when both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose the School Board considers revenues to be "available" if they are collected within 60 days of the end of the current fiscal period.

Revenues which are susceptible to accrual are ad valorem taxes, sales taxes and investment income. Food services and miscellaneous other revenues are recorded as revenues when earned. Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. For other intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. In reimbursement-type programs, monies must be expended on a specific purpose or project before any amounts will be paid to the School Board; therefore, revenues are recognized based upon the expenditures recorded. In other programs in which monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements, the resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is the principal and interest on general long-term debt which is recognized when due. As of year end, all instructional related salaries for July and August related to nine-month contracted employees who are paid over twelve months have been accrued because the salaries have been earned but not paid.

Compensated absences are recognized as expenditures when the benefit earned by the employee has matured. The matured liability for compensated absences, which includes salary and salary related payments, is reported in the associated fund.

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

Transfers between funds that are not expected to be repaid, long-term debt proceeds, proceeds from capital lease transactions, proceeds from sale of fixed assets, and debt extinguishments are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

D. Cash and Interest-bearing Deposits

Cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the School Board. Under state law and under Board's deposit policy, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

E. Investments

Investments are limited by R.S. 33:2955 and the Board's investment policy. The Board's investment policy allows funds which are available for investment and above immediate cash requirements to be invested in statutorily sanctioned investments including direct U.S. Treasury obligations, bonds, debentures, notes issued by or guaranteed by federal agencies, or certificates, or time certificates of deposit in any bank domiciled or having a branch office in Louisiana or any other federally insured investment. Statutorily sanctioned investments also include funds invested with external local government investment pools such as Louisiana Asset Management Pool and the Louisiana State Treasury's Education Excellence Fund. Investments of the Board shall be guided by the following:

- 1) Cash management and investment activities shall be conducted in a manner consistent with prudent business practices applied by governmental entities and shall be in compliance with applicable statutes.
- 2) Funds as determined by the chief financial officer to be in excess of immediate cash requirements shall be invested only in statutorily permitted obligations.
- 3) Appropriate emphasis in making any investment shall be as follows: a.) first priority shall be to ensure safety of the principal amount. b.) second priority shall be to ensure liquidity of funds to meet all obligations of the Board. c.) third priority shall be the yield of investments.

When investments are present in the financial statements they are reflected at fair value except for the following which are permitted per GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*:

- 1) Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure. Interest-earning investment contracts include time deposits with financial institutions (such certificates of deposit), repurchase agreements, and guaranteed investment contracts.
- 2) Money-market investments and *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

F. Short-term Interfund Receivables /Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund

JEFFERSON DAVIS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS

receivables/payables on the FFS balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

G. Elimination and Reclassifications

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the FFS were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

H. Inventories

Inventories in the General Fund consist of materials and supplies. Inventory of the School Lunch Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry.

In the FFS and GWFS inventories of governmental funds are accounted for using the consumption method in which expenditures are recognized as inventory is used. Unused commodities at June 30th are reported as deferred revenues. All purchased inventory items are valued at cost (first-in, first-out) and commodities are assigned values based on information provided by the United States Department of Agriculture.

I. Capital Assets

Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded in the GWFS, but not in the FFS, at their estimated fair value at the date of donation. The School Board maintains a threshold level for capitalization of \$1,000. Capital assets are reported in the GWFS, but not reported in the FFS, since they do not represent available current resources. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Straight-line depreciation is calculated based on the following estimated useful lives:

Buildings	25-50 years
Furniture and equipment	5-20 years
Vehicles	8 years

The School Board does not possess any material amounts of infrastructure capital assets, such as roads and bridges.

J. Deferred Revenue

Deferred revenues represent monies that have been received before the incurrence of eligibility requirements necessary for revenue recognition. In subsequent periods, when the School Board has met established eligibility requirements, the liability for deferred revenues is removed from the balance sheet and revenue is recognized.

K. Compensated Absences

The Board has the following policies relating to vacation, sick, and sabbatical leave:

JEFFERSON DAVIS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS

- 1) Vacation – Professional employees on a twelve month basis who have been in the parish system for ten or more calendar years, earn a three week vacation each calendar year, subject to approval by the Superintendent. All other twelve month professional employees are eligible for a two week vacation, provided they have been employed in the system for at least one calendar year. Vacation time can not be accumulated from year to year. Employees who terminate employment will be paid their daily rate of regular pay for all days of unused vacation leave to which the employee is entitled within the current calendar year.
- 2) Sick Leave – Employees are granted from ten to eighteen days of sick leave each year depending on classification and month employed during first year. Such leave, when not used, shall be allowed to accumulate to the credit of the employee without limitation. Upon retirement or death, employees are paid for any unused sick leave up to a maximum of twenty-five days at their current daily rate of pay. Under Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.
- 3) Sabbatical Leave - Sabbatical leave may be granted for medical reasons and for professional and cultural improvement. Any employee with a teaching certificate and any social worker or school psychologist who holds a valid auxiliary certificate in school work or school psychology is entitled, subject to approval by the Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service.

Only unused vacation leave to which the employee is entitled within the current calendar year is accrued as a liability at fiscal year end. An accrual for sick leave is made based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. Sabbatical leave is not accrued since it is considered leave for service during the period of the leave and therefore not a liability reportable in advance of the sabbatical pursuant to GASB Statement 16, *Accounting for Compensated Absences*.

In the FFS, the matured (the amount that is expected to be paid with current financial resources) liability for compensated absences, which includes salary and salary related payments, is reported in the fund from which the employees who have accumulated leave are paid. The amount not expected to be paid with current resources is not reported in the FFS. The entire compensated absence liability is reported in the GWFS.

L. Long-Term Liabilities

In the GWFS, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond discounts and issuance costs are deferred and amortized over the life of the bonds.

Long-term debt for governmental funds is not reported as liabilities in the FFS. The debt proceeds are reported as other financing sources and the payment of principle and interest is reported as expenditures. Governmental fund types recognize bond discounts and issuance costs during the current period. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

M. Restricted Net Assets

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

**JEFFERSON DAVIS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS**

- 1) Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
- 2) Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the School Board's policy to use restricted resources first, then unrestricted resources as they are needed.

N. Fund Equity of Fund Financial Statements

In the FFS, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans for future use of financial resources that are subject to change.

O. Extraordinary and Special Items

Extraordinary items, although not present in the accompanying financial statements, are transactions or events that are both unusual in nature and infrequent in occurrence. Special items reported in the accompanying financial statements are transactions or events within the control of the School Board, which are either unusual in nature or infrequent in occurrence.

P. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as operating transfers in the FFS.

Q. Sales Taxes

Sales taxes are collected on a monthly basis by the Board's Sales Tax Department. The School Board receives sales tax revenue from the following three sales taxes:

- 1) An ordinance dated December 2, 1965, which was approved by the voters of the parish authorizes the Board to collect, for an indefinite period beginning January 1, 1966, a 1% sales and use tax to be used exclusively to supplement other revenues available to the Board for payment of salaries of teachers and for operating expenses of schools including payment of salaries of other personnel employed in addition to teachers.
- 2) Another ordinance dated June 19, 1997, was approved by the voters of the parish authorizing the Board to collect, for a period of ten years from December 1, 1997, an additional 1% sales and use tax to be used to supplement other revenues available to the Board for payment of salaries of teachers and for operating expenses of schools including payment of salaries of other personnel employed in addition to teachers.
- 3) An additional ordinance dated September 13, 2001, was approved by the voters of School District No.2 authorizing the Board to collect, for a period of 25 years from January 1, 2002, an additional ½% sales and use tax to be used to pay a portion of the costs of constructing and improving public school buildings and facilities, acquiring land, equipment, and furnishings and/or use the proceeds of the tax to pay any bonded or funded indebtedness of the District.

JEFFERSON DAVIS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS

R. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, expenses, and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

S. Restricted Cash and Cash Equivalents

A certain amount of sales taxes collected in the Sales Tax District No. 1 Debt Service Fund has been set aside, pursuant to bond covenants, in a separate bank account as a reserve for future debt service payments.

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 2005:

Fund	Original Budget	Final Budget	Actual	Unfavorable Variance
Special Revenue Funds:				
School District #2 Maintenance	\$ 410,226	\$ 347,261	\$ 378,644	\$ 31,383
School District #3 Maintenance	59,900	54,108	61,487	7,379
School District #5 Maintenance	35,021	45,445	45,727	282
School District #22 Maintenance	90,669	107,473	108,238	765
Title I Carryover	239,427	242,780	246,896	4,116
Title V	27,739	26,526	30,373	3,847
Title IV Drug Free Schools	46,202	46,186	52,437	6,251
Title II	473,797	674,350	703,336	28,986

Pursuant to Louisiana Budget Act, none of the above unfavorable variances are considered noncompliance since they fall below the five percent adverse variance statutory threshold, meet the less than \$500,000 of anticipated expenditure amount exception, or they are contained in expenditure driven revenue recognition funds such as Federal grant expenditure reimbursement programs.

3. LEVIED TAXES

The School Board levies taxes on real and business personal property located within Jefferson Davis Parish's boundaries. Property taxes are levied by the School Board on property values at January 1 assessed by the Jefferson Davis Parish Tax Assessor and approved by the State of Louisiana Tax Commission upon submission of the tax roll.

The Jefferson Davis Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly:

	<u>Property Tax Calendar</u>
Assessment date	January 1 st
Levy date	Not later than June 1 st
Tax bills mailed	On or about November 15 th
Due date	December 31 st
Penalties and interest are added	January 1 st

JEFFERSON DAVIS PARISH SCHOOL BOARD
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Lien date
Tax sale – delinquent property

January 1st
During June

Assessed values are established by the Jefferson Davis Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2004. Total assessed value was \$153,627,950 for the calendar year 2004. Louisiana State law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$38,982,050 of the assessed value in calendar year 2004.

The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
Parish-wide Taxes:			
Constitutional	6.48	6.48	Statutory
Special School	10.77	10.77	2007
School District No. 1:			
Maintenance	13.09	13.09	2012
Maintenance-Special	9.46	9.46	2009
Bonds	17.50	17.50	2005
School District No. 2:			
Maintenance	11.85	11.85	2012
Bonds	19.75	19.75	2021
School District No. 3:			
Maintenance	14.00	14.00	2010
Bonds	15.50	15.50	2020
School District No. 5:			
Maintenance	4.02	4.02	2012
Bonds	7.25	7.25	2021
School District No. 8:			
Maintenance	8.61	8.61	2012
Bonds	18.00	18.00	2004
School District No. 22 (Allen Parish also):			
Maintenance	11.89	11.89	2012
Bonds	22.50	22.50	2020
Consolidated School District No. 1			
Maintenance	11.66	11.66	2012
Bonds	21.00	21.00	2019

JEFFERSON DAVIS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS

4. DEPOSITS – CASH AND INTEREST-BEARING DEPOSITS

At June 30, 2004, the Board has cash and interest-bearing deposits (book balances) totaling \$24,354,392 as follows:

<u>Deposit Type</u>	Governmental Activities	Fiduciary Funds	Total
Interest-bearing demand deposits	\$ 23,053,683	\$ 1,068,388	\$ 24,122,071
Time deposits	-	232,071	232,071
Other	250		250
Total	<u>\$ 23,053,933</u>	<u>\$ 1,300,459</u>	<u>\$ 24,354,392</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk is the risk that in the event of a bank failure, the School Board's deposits may not be returned to it. The School Board's deposit policy for custodial credit risk requires that all uninsured deposits must be secured with acceptable collateral as defined in LRS 38:1221 valued at market. As of June 30, 2005, the School Board had deposits (collected bank balances) totaling \$27,296,155, which includes \$1,300,459 in fiduciary funds. Of these bank deposit balances, \$27,096,155 were exposed to custodial credit risk as follows: Uninsured and collateral held by pledging bank's agent not in the School Board's name \$27,096,155.

Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, *Deposits and Investment Risk Disclosures*, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the school board that the fiscal agent has failed to pay deposited funds upon demand.

5. INVESTMENTS

The School Board participates in the Louisiana Asset Management Pool, Inc. (LAMP), which is an external local government investment pool. In accordance with GASB Statement 40, *Deposits and Investment Risk Disclosures*, the investment in LAMP at year end is excluded from custodial credit risk disclosures provided by this statement because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days.

JEFFERSON DAVIS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS

LAMP is designed to be highly liquid to give its participants immediate access to their account balances. As of June 30, 2005, the Board's investment in LAMP was rated AAAm by Standard & Poor's.

The School Board also participates in the Louisiana State Treasury's Education Excellence Fund (EEF), which is a special fund, similar to an external local government investment pool, established within the Millennium Trust, a special permanent trust of the State of Louisiana, pursuant to the Louisiana Constitution Article 7, Section 10.8. In accordance with GASB Statement 40, *Deposits and Investment Risk Disclosures*, the investment in EEF at year end is excluded from custodial credit risk disclosures provided by this statement because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The EEF is administered by the Louisiana State Treasury through an investment agreement pursuant to La. R.S. 39:99. Only school boards that have executed investment agreements pursuant to La. R.S. 39:99 have an investment interest in the fund's pool of assets. Pursuant to La. R.S. 39:99 C (1), the State guarantees the principal invested in this fund by the school board. The primary objective of the EEF is to provide a safe environment for the placement of certain local school board monies associated with tobacco company settlements. The monies invested in EEF by the treasurer, are done so with the same authority and subject to the same restrictions as the Louisiana Education Quality Trust Fund pursuant to La. R.S. 17:3803. According to Louisiana Constitution Article 7, Section 10.8 (C)(g) no funds may be distributed to the School Board from the EEF until an annual plan has been submitted and receives both legislative and Department of Education approval as provided by law. As a result, the monies invested in this fund along with any accumulated investment earnings have been recorded as deferred revenues by the School Board. As of June 30, 2005, the Board's investment in EEF was unrated with respect to credit quality.

The fair value of the position in these pools are the same as the value of the pool shares.

At fiscal year-end, the Board's investment balances were as follows:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Investments not subject to custodial credit risk classification:		
Louisiana Asset Management Pool	\$ 10,023,858	\$ 10,023,858
Louisiana State Treasurer Education Excellence Fund	1,070,032	1,070,032
Total Investments	<u>\$ 11,093,890</u>	<u>\$ 11,093,890</u>

6. RECEIVABLES

The receivables at June 30, 2005 for the School Board's major and nonmajor funds are as follows:

<u>Class of Receivable</u>	<u>General Funds</u>	<u>District No. 2 Capital Project Fund</u>	<u>Other Nonmajor Governmental</u>	<u>Total</u>
Taxes:				
Ad valorem	\$ 7,882	\$ -	\$ 14,226	\$ 22,108
Sales and use	668,593	-	98,877	767,470
Intergovernmental:				
Federal	-	-	1,299,358	1,299,358
State	512,941	-	-	512,941
Other	133,542	-	15,675	149,217
Total	<u>\$ 1,322,958</u>	<u>\$ -</u>	<u>\$ 1,428,136</u>	<u>\$ 2,751,094</u>

There were no allowances for uncollectible accounts as of June 30, 2005.

JEFFERSON DAVIS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS

7. CAPITAL ASSETS

A summary of changes in capital assets is a follows:

	Balance Beginning	Adjustments	Additions/ Reclasses	Dispositions	Balance Ending
Capital assets not being depreciated:					
Land	\$ 1,371,136	-	87,500	5,500	1,453,136
Construction in progress	12,167,026	-	9,861,046	-	22,028,072
Total capital assets not being depreciated	13,538,162	-	9,948,546	5,500	23,481,208
Capital assets being depreciated:					
Buildings and improvements	39,386,442	-	-	6,008	39,380,434
Furniture and equipment	6,147,778	-	331,417	382,693	6,096,502
Transportation equipment	2,144,123	-	281,356	47,023	2,378,456
Total capital assets being depreciated	47,678,343	-	612,773	435,724	47,855,392
Less accumulated depreciation for:					
Buildings and improvements	23,345,889	-	632,988	6,008	23,972,869
Furniture and equipment	4,132,870	-	475,106	353,569	4,254,407
Transportation equipment	1,643,536	-	166,935	47,023	1,763,448
Total accumulated depreciation	29,122,295	-	1,275,029	406,600	29,990,724
Total capital assets being depreciated, net	18,556,048	-	(662,256)	29,124	17,864,668
Capital assets, net	\$ 32,094,210	-	9,286,290	34,624	41,345,876

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular instruction	\$ 173,685
Special educational instruction	76,278
Vocational instruction	56,358
All other instructional programs	18,657
Support services:	
Pupil support services	3,063
Instructional staff	24,066
General administration	6,556
School administration	11,801
Business services	4,296
Operational and maintenance	68,438
Student transportation	140,899
Central services	9,020
Non-instructional services:	
Food services	44,868
Unallocated building depreciation	637,044
Total depreciation expense	1,275,029

**JEFFERSON DAVIS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS**

8. RETIREMENT SYSTEMS

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Teachers' Retirement System of Louisiana (TRS)

Plan Description. The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Funding Policy. Plan members are required to contribute 8.0%, 8.0%, and 8.0% of their annual covered salary for the Regular Plan and Plan A, and 5.0%, 5.0%, and 5.0% for Plan B, for 2005, 2004, and 2003 respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 15.5%, 15.5%, and 15.5% of annual covered payroll for the three membership plans, respectively. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the school board.

The School Board's contributions to the TRS for the years ending June 30, 2005, 2004, and 2003, were \$3,505,560, \$3,138,530, and \$2,925,684, respectively, equal to the required contributions for each year.

B. Louisiana School Employees' Retirement System (LASERS)

Plan Description. The LASERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LASERS issues a publicly available financial report that includes financial statements and required supplementary information for the LASERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

Funding Policy. Plan members are required to contribute 7.5% of their annual covered salary to the plan for 2005 and 7.5% for 2004, 7.5% for 2003. The School Board was required to contribute 14.8% of covered employees' salaries for 2005, 8.5% for 2004, and 6.0% for 2003. However, due to the passage of L.R.S. 11:102(B)(2)(b)(ii) [House Bill 2174], employer contributions for the year ended June 30, 2003, were funded 100% from the Employer Credit Account and not by the School Board. The amount contributed on behalf of the School Board for 2003 amounted to approximately \$106,443, equal to the required contribution for each year. The School Board's contribution to LASERS for the year ending June 30, 2005, amounted to \$277,912, which equaled the required contribution. Member contributions and employer contributions for the LASERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee.

JEFFERSON DAVIS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS

In accordance with State statutes, the School Board provides continuing health care and life insurance benefits for its retired employees. The School Board voluntarily funds an additional portion of retirees group health and life insurance coverage under a motion originally passed on April 3, 1980, which was last amended on June 20, 1996. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees were provided through a fully insured program, whose monthly premiums are paid jointly by the employees and the School Board. The School Board recognizes the cost of providing these benefits (the Board's portion of premiums) as an expenditure when the monthly premiums are due.

No provision for the unfunded portion of the Board's future liability has been made in the accompanying financial statements.

The portion of these costs paid for by the School Board for these benefits totaled \$1,951,533 (mandated by State statute \$1,820,379 and voluntarily under Board motion \$131,154) for 2005, while the employees paid \$403,300. At June 30, 2005, approximately 410 former employees were qualified to receive such benefits.

10. COMPENSATED ABSENCES

At June 30, 2005, employees of the Board have accumulated and vested \$2,326,510 of employee leave benefits, which was computed in accordance with GASB *Codification Section C60*.

11. LONG-TERM LIABILITIES

The following is a summary of long-term liability activity for the year ended June 30, 2005:

	Balance			Balance	Due Within
	<u>Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u>	<u>One Year</u>
Compensated absences	\$ 2,329,921	\$ 375,992	\$ 379,403	\$ 2,326,510	\$ 137,270
General obligation bonds	33,449,000	5,310,000	4,435,000	34,324,000	1,479,000
Less deferred amount on bond refunding	-	(322,070)	-	(322,070)	-
Governmental activity long-term liabilities	\$ <u>35,778,921</u>	\$ <u>5,363,922</u>	\$ <u>4,814,403</u>	\$ <u>36,328,440</u>	\$ <u>1,616,270</u>

Payments on general obligation bonds payable that pertain to the School Board's governmental activities are made by the debt service funds. The compensated absences are liquidated by the fund where the salary costs originated.

The School Board issued \$3,310,000 of general obligation refunding bonds to provide resources to purchase non-callable direct general obligations of the United States of America that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments related to \$2,965,000 of Series 2000 General Obligation Bonds of Consolidated School District No. 1. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$322,070. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is the same as the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next fifteen years by \$221,027 and resulted in an economic gain of \$160,396.

JEFFERSON DAVIS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS

All School Board bonds outstanding at June 30, 2005, are general obligation bonds. The following table lists the pertinent information on each outstanding issue:

<u>Date of Issuance</u>	<u>School District Number</u>	<u>Maturity Date</u>	<u>Interest Rate %</u>	<u>Original Amount of Issue</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>	<u>Funding Source</u>
3/25/93	1	Mar-06	3.35 to 5.70	\$2,285,000	\$ 16,245	\$ 285,000	Ad Valorem
3/1/05	1	Mar-25	3.65 to 4.50	2,000,000	1,058,060	2,000,000	Ad Valorem
4/1/02	2	Mar-22	4.20 to 5.20	10,000,000	4,354,460	9,245,000	Ad Valorem & Sales Tax
3/1/03	2	Mar-23	3.80 to 4.80	7,000,000	2,982,910	6,580,000	Ad Valorem & Sales Tax
10/1/98	3	Feb-10	4.8	268,000	22,992	154,000	Ad Valorem
6/1/01	3	Mar-21	4.25 to 6.00	545,000	229,036	485,000	Ad Valorem
8/1/02	5	Mar-22	4.70 to 5.70	1,000,000	463,835	910,000	Ad Valorem
5/1/00	8	Mar-20	6.30 to 5.75	1,500,000	673,870	1,305,000	Ad Valorem
9/1/01	22	Mar-21	4.25 to 6.00	2,600,000	1,067,148	2,270,000	Ad Valorem
7/1/00	C1	Mar-10	5.50 to 6.50	4,500,000	171,825	950,000	Ad Valorem
5/15/05	C1	Mar-20	3.00 to 4.00	3,310,000	1,288,417	3,310,000	Ad Valorem
2/1/04	ST1	Feb-24	4.25 to 5.25	7,000,000	3,731,408	6,830,000	Sales Tax
					<u>\$16,060,206</u>	<u>\$34,324,000</u>	

At June 30, 2005, the School Board has accumulated \$3,036,319 in the debt service funds for future debt requirements. The future requirements to amortize bond debt are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 1,479,000	\$ 1,555,355	\$ 3,034,355
2007	1,324,000	1,500,419	2,824,419
2008	1,448,000	1,429,642	2,877,642
2009	1,512,000	1,352,836	2,864,836
2010	1,596,000	1,276,897	2,872,897
2011-2015	9,105,000	5,245,588	14,350,588
2016-2020	11,635,000	3,073,876	14,708,876
2021-2025	6,225,000	625,593	6,850,593
	<u>\$ 34,324,000</u>	<u>\$ 16,060,206</u>	<u>\$ 50,384,206</u>

In accordance with R.S. 39:562 (L), the School Board is legally restricted from incurring long-term bonded debt in excess of 50% of the assessed value of taxable property. At June 30, 2005, the parish-wide statutory limit is \$76,813,975 and outstanding bonded debt totals \$34,324,000.

JEFFERSON DAVIS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS

12. OTHER INDIVIDUAL FUND DISCLOSURES (FFS Level Only)

A. Interfund Receivables and Payables

Interfund balances at June 30, 2005 were as follows:

Due From	Due To			Total
	General Funds	District No.2 Capital Project Fund	Other Nonmajor Governmental	
School Lunch	\$ 99,299	\$ -	\$ -	\$ 99,299
District #8 Maintenance	11,120	-	-	11,120
IDEA-Preschool	10,322	-	-	10,322
Other Federal Funds	55,876	-	-	55,876
IDEA	256,191	-	-	256,191
Title I	258,844	-	-	258,844
Migrant	22,213	-	-	22,213
Title V	11,200	-	-	11,200
Title II	242,296	-	-	242,296
Title IV	9,936	-	-	9,936
	<u>\$ 977,297</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 977,297</u>

The \$99,299 balance that School Lunch owes the General Fund represents the remaining balance of a loan to purchase a delivery truck and computer hardware and software. The remaining balance is being repaid in monthly installments of \$1,807.42. The \$11,120 balance that District #8 Maintenance owes the General Fund represents the remaining balance of a loan to purchase one acre of land. The remaining balance is being repaid in yearly installments of \$2,620.

All remaining balances resulted from the timing lag between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

B. Interfund Transfers

Transfer Out	Transfer In			Total
	General Funds	District No.2 Capital Project Fund	Other Nonmajor Governmental	
Operating Transfers:				
SD #1 Capital Projects	\$ -	\$ -	\$ 30	\$ 30
	-	-	30	30
Indirect Cost Payments:				
IDEA-Preschool	\$ 2,084	\$ -	\$ -	\$ 2,084
IDEA	49,685	-	-	49,685
Title I	77,630	-	-	77,630
Title I Carryover	13,357	-	-	13,357
Migrant	5,308	-	-	5,308
Title V	1,545	-	-	1,545
Title IV Drug Free Schools	1,102	-	-	1,102
Title II	37,133	-	-	37,133
	<u>\$ 187,844</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,844</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Indirect costs transfers, are identified separately in the accompanying financial statements to demonstrate the amount of transfers made from the various Federal programs to the General Fund for allowable indirect costs.

13. RESERVED AND DESIGNATED FUND BALANCES (FFS Level Only)

Reserves in the governmental funds represent portions of fund balance which are not appropriable for expenditure or is legally segregated for specific future uses, while designations of fund balance represent tentative plans for financial resource utilization in a future period. Reserves and designations of fund balance at June 30, 2005, are as follows:

	General Funds	District No. 2 Capital Project Fund	Other Nonmajor Governmental	Total
<u>Reserved for:</u>				
Inventory	\$ 305,150	\$ -	\$ 109,567	\$ 414,717
Prepaid items	8,000	-	-	8,000
Noncurrent receivables	85,469	-	-	85,469
	<u>\$ 398,619</u>	<u>\$ -</u>	<u>\$ 109,567</u>	<u>\$ 508,186</u>
<u>Designated for:</u>				
Bus replacement	\$ 1,505,404	\$ -	\$ -	\$ 1,402,402
Roof replacement	6,000,000	-	-	6,000,000
Post retirement health insurance	2,000,000	-	-	2,000,000
Insurance contingencies	1,000,000	-	-	1,000,000
	<u>\$ 10,505,404</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,505,404</u>

14. RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Board continues to be self insured for all workers compensation claims that arose prior to July 1, 1998, for the period during which the Board was self insured for claims up to \$35,000. Claims for workers compensation are handled through a contracted claims agent which handles the claims administration for the Board. Settled claims are reported as an expense in the General Fund. There were \$61,013, \$84,701, and \$105,457 in settlements recorded in the financial statements for the fiscal years ending in 2005, 2004, and 2003, respectively. In addition, no provision has been made for claims that have occurred prior to moving coverage in this area to a commercial carrier. The Board has reserved \$1,000,000 of the General Fund balance to cover potential workers compensation insurance losses in excess of contracted coverages while self insured. Subsequent to July 1, 1998, the Board obtained coverage for workers compensation through a commercial insurance company.

Other risks of loss are managed through commercial insurance coverage. Settled claims resulting from these risks covered by commercial insurance have not materially exceeded coverage in the past three fiscal years.

JEFFERSON DAVIS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS

15. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

Retirement plan payments in the amount of \$124,510 were made by the Sheriff, acting in his capacity as Ex-Officio Tax Collector, to the Teacher's Retirement System of the State of Louisiana on behalf of the Board. These remittances represent a portion of the ad valorem taxes and state revenue sharing collections which are statutorily set aside for payment to the Teacher's Retirement System on behalf of the Board. These on-behalf payments have been recorded in the accompanying financial statements, in accordance with GASB Statement 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* as revenues and expenditures in the General Fund.

16. CONTINGENCIES

Litigation. The Board is the defendant in a number of lawsuits. Legal counsel has determined that potential liability to the Board cannot be determined or is covered by commercial insurance as of the issuance date of these financial statements. Accordingly, no provision for losses, exceeding available insurance coverage, has been recorded in the accompanying financial statements.

Grant Disallowances. The Board participates in a number of Federal Financial Assistance Programs. These programs are subject to further financial and compliance audits by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. Based on prior experience, the Board feels such amounts, if any, to be immaterial to the financial statements.

Tax Arbitrage Rebate. Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service. Management believes there is no tax arbitrage rebate liability at year end.

17. COMMITMENTS

As of June 30, 2005, the Board had the following remaining construction in progress and building improvement commitments:

<u>Project Location</u>	<u>Project Authorization</u>	<u>Expended thru Fiscal Year End</u>	<u>Remaining Commitment</u>
School District #1:			
Lake Arthur High Renovations	\$ 2,442,000	\$ 101,544	\$ 2,340,456
School District #2:			
Old Jennings High & Northside	682,000	203,900	478,100
New Jennings High Construction	21,292,747	20,376,118	916,629
	<u>\$ 24,416,747</u>	<u>\$ 20,681,562</u>	<u>\$ 3,735,185</u>

18. PASS-THROUGH GRANTS

The Board serves as sponsor for various local governmental agencies within the Southwest Louisiana region that participate in federal awards funds in the amount of \$56,815 received through a Migrant Education Grant. In accordance with GASB Statement 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, these amounts have been recorded in the accompanying financial statements as federal source revenues and intergovernmental expenditures.

**JEFFERSON DAVIS PARISH SCHOOL BOARD
NOTES TO THE BASIC FINANCIAL STATEMENTS**

19. ECONOMIC DEPENDENCE

The Board has one taxpayer that accounts for more than 10% of total sales tax collections revenues reported in the accompanying financial statements.

20. SUBSEQUENT EVENTS

In fiscal year ending June 30, 2004, voters in School District #1 passed a proposition that will allow the issuance of \$3,000,000 in general obligation bonds to be repaid by collections of ad valorem taxes. The bonds will be issued in two stages with \$2,000,000 issued in fiscal year ending 2005, and \$1,000,000 expected to be issued in fiscal year ending 2006.

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REQUIRED SUPPLEMENTAL INFORMATION

JEFFERSON DAVIS PARISH SCHOOL BOARD
GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2005

Schedule 1
(Continued)

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 1,810,000	\$ 1,894,000	\$ 1,897,013	\$ 3,013
Sales and use taxes	6,800,000	7,368,000	7,304,887	(63,113)
Parish contribution to retirement fund	120,535	122,706	124,510	1,804
Collection fees from municipalities	100,000	100,000	108,672	8,672
Tuition	159,895	177,029	182,579	5,550
Interest earnings	250,000	460,000	494,197	34,197
Other local revenue	259,413	668,017	737,732	69,715
State sources:				
Equalization	25,810,872	26,188,952	26,188,952	-
Restricted grants-in-aid	690,500	704,690	746,166	41,476
Revenue sharing	209,000	210,031	210,031	-
Other state revenues	23,629	15,629	14,918	(711)
Federal sources	-	-	-	-
Total revenues	<u>36,233,844</u>	<u>37,909,054</u>	<u>38,009,657</u>	<u>100,603</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	16,714,915	16,275,308	16,144,404	130,904
Special education programs	4,769,304	4,962,009	4,953,874	8,135
Vocational programs	1,429,082	1,477,765	1,471,685	6,080
All other instructional programs	746,378	982,212	1,101,333	(119,121)
Support services:				
Student services	1,883,893	1,851,567	1,851,181	386
Instructional staff support	1,868,577	1,781,195	1,780,715	480
General administration	936,503	940,292	947,089	(6,797)
School administration	2,872,265	2,850,184	2,816,852	33,332
Business services	497,953	515,093	510,609	4,484
Plant operation and maintenance	3,147,221	3,207,957	3,113,266	94,691
Student transportation services	2,020,195	2,184,999	2,169,794	15,205
Central services	257,104	261,149	255,396	5,753
Non-instructional services:				
Food services	488,895	479,781	470,459	9,322
Community service programs	27,300	37,062	35,066	1,996
Total expenditures	<u>37,659,585</u>	<u>37,806,573</u>	<u>37,621,723</u>	<u>184,850</u>

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH SCHOOL BOARD
GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2005

Schedule 1
(Concluded)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(1,425,741)</u>	<u>102,481</u>	<u>387,934</u>	<u>285,453</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Indirect costs	165,000	165,000	187,844	22,844
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of fixed assets	-	415	415	-
Total other financing sources (uses)	<u>165,000</u>	<u>165,415</u>	<u>188,259</u>	<u>22,844</u>
NET CHANGES IN FUND BALANCES	<u>(1,260,741)</u>	<u>267,896</u>	<u>576,193</u>	<u>308,297</u>
FUND BALANCES BEGINNING OF YEAR	<u>16,044,169</u>	<u>16,485,802</u>	<u>19,166,261</u>	<u>2,680,459</u>
FUND BALANCES END OF YEAR	<u>\$ 14,783,428</u>	<u>\$ 16,753,698</u>	<u>\$ 19,742,454</u>	<u>\$ 2,988,756</u>

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH SCHOOL BOARD
Notes to Budgetary Comparison Schedule
For the Year Ended June 30, 2005

A. BUDGETARY PRACTICES

General Budget Practices The Board follows the following procedures in establishing budgetary data reported in the accompanying budgetary comparison schedule:

Pursuant to Title 17, Section 88 of the Louisiana Revised Statutes, as amended by Act 970 of 1995, the Board is required to adopt an annual budget no later than September 15th of each year for the general fund and all special revenue funds.

Each year prior to September 15th, the Director of Accounting and the Superintendent submit a proposed annual budget for the general fund and all special revenue funds. The operating budgets include proposed expenditures and the means of financing them. The proposed budget is advertised as available for public inspection at least 15 days prior to final adoption simultaneously with a notice of the date of public hearing. The public hearing is conducted during a finance committee meeting in order to obtain public input. The budget is subsequently adopted by the full Board through a formal budget resolution. Upon final Board approval, a copy of the budget is then sent to the State Department of Education.

General fund and special revenue fund appropriations (unexpended budget balances) lapse at end of fiscal year.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments. All budget revisions are approved by the Board.

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Legally, the Board cannot budget total expenditures and other financing uses which would exceed total budgeted revenues and other financing sources including beginning fund balance. State statutes require the Board to amend its budgets to prevent overall projected revenues, expenditures, or beginning fund balance from causing an adverse budget variance of five percent or more in an individual fund. The Board approves budgets at the function level and management is allowed to transfer amounts between line items within a function. Debt service funds are controlled by related bond ordinances and not budgeted on an annual basis. Therefore, a budget to actual comparison is not presented for these funds. Capital projects funds are controlled on a project basis through the use of formal bidding and are not budgeted on an annual basis. All projects remain programmed and funded until completed or until the Board decides to eliminate the project. As a result, budget to actual comparisons are not presented for these funds.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL MAJOR FUNDS

The following budgeted major funds had actual expenditures over budgeted expenditures for the fiscal year:

Major Fund	Final Budget	Actual	Unfavorable Variance
None	\$ 0	\$ 0	\$ 0

Reason for unfavorable variance : not applicable.

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SUPPLEMENTAL INFORMATION

JEFFERSON DAVIS PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2005

Schedule 2

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and interest-bearing accounts	\$ 2,263,733	\$ 2,463,069	\$ 2,150,302	\$ 6,877,104
Restricted cash & interest-bearing accounts	-	573,250	-	573,250
Receivables	1,318,686	109,450	-	1,428,136
Inventory	131,764	-	-	131,764
TOTAL ASSETS	<u>3,714,183</u>	<u>3,145,769</u>	<u>2,150,302</u>	<u>9,010,254</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	264,737	7,535	-	272,272
Contracts payable	-	-	125,613	125,613
Payroll deductions, withholdings, and accrued salaries payable	533,234	-	-	533,234
Interfund payables	977,297	-	-	977,297
Deposits due others	13,395	3,111	-	16,506
Deferred revenue	22,197	-	-	22,197
Total Liabilities	<u>1,810,860</u>	<u>10,646</u>	<u>125,613</u>	<u>1,947,119</u>
FUND BALANCES				
Reserved	109,567	-	-	109,567
Unreserved:				
Undesignated reported in:				
Special revenue funds	1,793,756	-	-	1,793,756
Debt service funds	-	3,135,123	-	3,135,123
Capital projects funds	-	-	2,024,689	2,024,689
Total Fund Balances	<u>1,903,323</u>	<u>3,135,123</u>	<u>2,024,689</u>	<u>7,063,135</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,714,183</u>	<u>\$ 3,145,769</u>	<u>\$ 2,150,302</u>	<u>\$ 9,010,254</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - By Fund Type
For the Year Ended June 30, 2005

Schedule 3
(Continued)

	Special Revenue	Debt Service	Capital Projects	Total
REVENUES				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 1,365,690	\$ 2,039,319	\$ -	\$ 3,405,009
Sales and use taxes	-	1,073,956	-	1,073,956
Interest earnings	49,075	74,493	22,593	146,161
Food services	475,297	-	-	475,297
Other local revenue	21,751	-	-	21,751
State sources:				
Equalization	850,000	-	-	850,000
Revenue sharing	81,899	-	-	81,899
Federal sources	5,751,151	-	-	5,751,151
Total revenues	<u>8,594,863</u>	<u>3,187,768</u>	<u>22,593</u>	<u>11,805,224</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	412,580	-	-	412,580
Special education programs	804,138	-	-	804,138
Vocational programs	87,788	-	-	87,788
All other instructional programs	1,595,241	-	-	1,595,241
Support services:				
Student services	189,879	-	-	189,879
Instructional staff support	945,811	-	-	945,811
General administration	50,632	65,701	-	116,333
School administration	55,927	-	-	55,927
Business services	378	-	-	378
Plant operation and maintenance	650,282	-	10,810	661,092
Student transportation services	27,436	-	-	27,436
Central services	129,197	-	-	129,197
Non-instructional services:				
Food services	2,947,857	-	-	2,947,857
Intergovernmental	56,815	-	-	56,815
Facilities acquisition and construction	107,969	-	104,313	212,282
Debt service:				
Principal retirement	-	1,470,000	-	1,470,000
Interest	-	1,623,207	-	1,623,207
Bond issuance and other costs	-	86,594	29,495	116,089
Total expenditures	<u>8,061,930</u>	<u>3,245,502</u>	<u>144,618</u>	<u>11,452,050</u>

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - By Fund Type
For the Year Ended June 30, 2005

Schedule 3
(Concluded)

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>532,933</u>	<u>(57,734)</u>	<u>(122,025)</u>	<u>353,174</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	30	-	-	30
Operating transfers out	-	-	(30)	(30)
Indirect costs	(187,844)	-	-	(187,844)
Proceeds from sale of bonds	-	-	2,000,000	2,000,000
Refunding bonds issued	-	3,310,000	-	3,310,000
Payment to bond refunding escrow agent	-	(3,287,070)	-	(3,287,070)
Proceeds from sale of fixed assets	10,881	-	-	10,881
Total other financing sources (uses)	<u>(176,933)</u>	<u>22,930</u>	<u>1,999,970</u>	<u>1,845,967</u>
NET CHANGES IN FUND BALANCES	356,000	(34,804)	1,877,945	2,199,141
FUND BALANCES BEGINNING OF YEAR	<u>1,547,323</u>	<u>3,169,927</u>	<u>146,744</u>	<u>4,863,994</u>
FUND BALANCES END OF YEAR	<u>\$ 1,903,323</u>	<u>\$ 3,135,123</u>	<u>\$ 2,024,689</u>	<u>\$ 7,063,135</u>

The accompanying notes are an integral part of this statement.

JEFFERSON DAVIS PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2005

	Maintenance Consolidated School District No. 1	Maintenance School District No. 1	Maintenance School District No. 2	Maintenance School District No. 3
ASSETS				
Cash and interest-bearing accounts	\$ 200,926	\$ 454,647	\$ 889,249	\$ 57,249
Investments	-	-	-	-
Receivables	710	1,154	2,965	161
Interfund receivables	-	-	-	-
Inventory	9,664	7,629	7,444	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>211,300</u>	<u>463,430</u>	<u>899,658</u>	<u>57,410</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	38,538	17,822	60,865	9,126
Contracts payable	-	-	-	-
Payroll deductions, withholdings, and accrued salaries payable	1,610	1,124	1,267	-
Interfund payables	-	-	-	-
Deposits due others	-	-	-	-
Deferred revenues	-	-	-	-
Total Liabilities	<u>40,148</u>	<u>18,946</u>	<u>62,132</u>	<u>9,126</u>
FUND BALANCES				
Reserved	9,664	7,629	7,444	-
Unreserved:				
Designated	-	-	-	-
Undesignated reported in:				
General fund	-	-	-	-
Special revenue funds	161,488	436,855	830,082	48,284
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Total Fund Balances	<u>171,152</u>	<u>444,484</u>	<u>837,526</u>	<u>48,284</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 211,300</u>	<u>\$ 463,430</u>	<u>\$ 899,658</u>	<u>\$ 57,410</u>

**Schedule 4
(Continued)**

Maintenance School District No. 5	Maintenance School District No. 8	Maintenance School District No. 22	School Food Service	I.D.E.A. Preschool
\$ 64,011	\$ 93,823	\$ 81,397	\$ 422,431	\$ -
-	-	-	-	-
108	513	633	13,084	10,744
-	-	-	-	-
2,775	-	-	104,252	-
-	-	-	-	-
<u>66,894</u>	<u>94,336</u>	<u>82,030</u>	<u>539,767</u>	<u>10,744</u>
4,367	3,481	5,482	1,349	422
-	-	-	-	-
58	-	-	220,402	-
-	11,120	-	99,299	10,322
-	-	-	13,395	-
-	-	-	22,197	-
<u>4,425</u>	<u>14,601</u>	<u>5,482</u>	<u>356,642</u>	<u>10,744</u>
2,775	-	-	82,055	-
-	-	-	-	-
-	-	-	-	-
59,694	79,735	76,548	101,070	-
-	-	-	-	-
-	-	-	-	-
<u>62,469</u>	<u>79,735</u>	<u>76,548</u>	<u>183,125</u>	<u>-</u>
<u>\$ 66,894</u>	<u>\$ 94,336</u>	<u>\$ 82,030</u>	<u>\$ 539,767</u>	<u>\$ 10,744</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2005

	Other Special Education Federal Funds	Other Federal Funds	I.D.E.A.	Title I
ASSETS				
Cash and interest-bearing accounts	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables	-	87,527	320,487	426,589
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>-</u>	<u>87,527</u>	<u>320,487</u>	<u>426,589</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	-	6,467	20,479	41,674
Contracts payable	-	-	-	-
Payroll deductions, withholdings, and accrued salaries payable	-	25,184	43,817	126,071
Interfund payables	-	55,876	256,191	258,844
Deposits due others	-	-	-	-
Deferred revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>87,527</u>	<u>320,487</u>	<u>426,589</u>
FUND BALANCES				
Reserved	-	-	-	-
Unreserved:				
Designated	-	-	-	-
Undesignated reported in:				
General fund	-	-	-	-
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 87,527</u>	<u>\$ 320,487</u>	<u>\$ 426,589</u>

**Schedule 4
(Concluded)**

<u>Title I Carryover</u>	<u>Migrant Education</u>	<u>Title V</u>	<u>Title IV Drug Free Schools</u>	<u>Title II</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,263,733
-	-	-	-	-	-
-	43,600	12,401	27,747	370,263	1,318,686
-	-	-	-	-	-
-	-	-	-	-	131,764
-	-	-	-	-	-
<u>-</u>	<u>43,600</u>	<u>12,401</u>	<u>27,747</u>	<u>370,263</u>	<u>3,714,183</u>
-	16,017	1,201	17,811	19,636	264,737
-	-	-	-	-	-
-	5,370	-	-	108,331	533,234
-	22,213	11,200	9,936	242,296	977,297
-	-	-	-	-	13,395
-	-	-	-	-	22,197
<u>-</u>	<u>43,600</u>	<u>12,401</u>	<u>27,747</u>	<u>370,263</u>	<u>1,810,860</u>
-	-	-	-	-	109,567
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,793,756
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,903,323</u>
<u>\$ -</u>	<u>\$ 43,600</u>	<u>\$ 12,401</u>	<u>\$ 27,747</u>	<u>\$ 370,263</u>	<u>\$ 3,714,183</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2005

	Maintenance Consolidated School District No. 1	Maintenance School District No. 1	Maintenance School District No. 2	Maintenance School District No. 3
REVENUES				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 221,506	\$ 327,817	\$ 498,117	\$ 75,263
Sales and use taxes	-	-	-	-
Parish contribution to retirement fund	-	-	-	-
Collection fees from municipalities	-	-	-	-
Tuition	-	-	-	-
Interest earnings	6,063	9,698	20,360	1,192
Food services	-	-	-	-
Other local revenue	-	5,003	11,132	-
State sources:				
Equalization	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Revenue sharing	12,649	13,997	34,408	5,055
Other state revenues	-	-	-	-
Federal sources	-	-	-	-
Total revenues	<u>240,218</u>	<u>356,515</u>	<u>564,017</u>	<u>81,510</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	55,538	60,132	176,789	21,762
Special education programs	-	-	-	-
Vocational programs	-	-	-	-
All other instructional programs	-	-	-	-
Support services:				
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration	7,740	13,559	15,874	2,423
School administration	8,246	12,209	23,263	7,687
Business services	-	-	-	-
Plant operation and maintenance	136,405	120,389	160,993	28,500
Student transportation services	4,367	737	1,725	1,115
Central services	-	-	-	-
Non-instructional services:				
Food services	-	-	-	-
Community service programs	-	-	-	-
Intergovernmental	-	-	-	-
Facilities acquisition and construction	100,778	3,191	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Bond issuance and other costs	-	-	-	-
Total expenditures	<u>313,074</u>	<u>210,217</u>	<u>378,644</u>	<u>61,487</u>

**Schedule 5
(Continued)**

<u>Maintenance School District No. 5</u>	<u>Maintenance School District No. 8</u>	<u>Maintenance School District No. 22</u>	<u>School Food Service</u>	<u>I.D.E.A. Preschool</u>
\$ 48,619	\$ 83,251	\$ 111,117	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,107	1,911	1,973	6,771	-
-	-	-	475,297	-
-	-	4,345	1,271	-
-	-	-	850,000	-
-	-	-	-	-
2,877	4,954	7,959	-	-
-	-	-	-	-
-	-	-	1,620,680	52,092
<u>52,603</u>	<u>90,116</u>	<u>125,394</u>	<u>2,954,019</u>	<u>52,092</u>
11,575	19,013	28,580	-	-
-	-	-	-	50,008
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,824	2,719	3,743	-	-
809	1,516	1,543	-	-
-	-	-	-	-
27,519	29,913	73,935	-	-
-	898	437	-	-
-	-	-	-	-
-	-	-	2,947,857	-
-	-	-	-	-
-	-	-	-	-
4,000	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>45,727</u>	<u>54,059</u>	<u>108,238</u>	<u>2,947,857</u>	<u>50,008</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2005

	Maintenance Consolidated School District No. 1	Maintenance School District No. 1	Maintenance School District No. 2	Maintenance School District No. 3
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(72,856)</u>	<u>146,298</u>	<u>185,373</u>	<u>20,023</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Indirect costs	-	-	-	-
Proceeds from sale of bonds	-	-	-	-
Refunding bonds issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Proceeds from sale of fixed assets	150	-	101	-
Total other financing sources (uses)	<u>150</u>	<u>-</u>	<u>101</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	(72,706)	146,298	185,474	20,023
FUND BALANCES BEGINNING OF YEAR	<u>243,858</u>	<u>298,186</u>	<u>652,052</u>	<u>28,261</u>
FUND BALANCES END OF YEAR	<u>\$ 171,152</u>	<u>\$ 444,484</u>	<u>\$ 837,526</u>	<u>\$ 48,284</u>

**Schedule 5
(Continued)**

<u>Maintenance School District No. 5</u>	<u>Maintenance School District No. 8</u>	<u>Maintenance School District No. 22</u>	<u>School Food Service</u>	<u>I.D.E.A. Preschool</u>
<u>6,876</u>	<u>36,057</u>	<u>17,156</u>	<u>6,162</u>	<u>2,084</u>
30	-	-	-	-
-	-	-	-	-
-	-	-	-	(2,084)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>10,630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>10,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,084)</u>
17,536	36,057	17,156	6,162	-
<u>44,933</u>	<u>43,678</u>	<u>59,392</u>	<u>176,963</u>	<u>-</u>
<u>\$ 62,469</u>	<u>\$ 79,735</u>	<u>\$ 76,548</u>	<u>\$ 183,125</u>	<u>\$ -</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2005

	Other Special Education Federal Funds	Other Federal Funds	I.D.E.A.	Title I
REVENUES				
Local sources:				
Taxes:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-
Parish contribution to retirement fund	-	-	-	-
Collection fees from municipalities	-	-	-	-
Tuition	-	-	-	-
Interest earnings	-	-	-	-
Food services	-	-	-	-
Other local revenue	-	-	-	-
State sources:				
Equalization	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Revenue sharing	-	-	-	-
Other state revenues	-	-	-	-
Federal sources	-	273,962	1,043,075	1,514,591
Total revenues	-	273,962	1,043,075	1,514,591
EXPENDITURES				
Current:				
Instruction:				
Regular programs	-	-	-	-
Special education programs	-	1,493	752,637	-
Vocational programs	-	87,788	-	-
All other instructional programs	-	144,914	-	885,097
Support services:				
Student services	-	36,609	88,843	53,705
Instructional staff support	-	2,504	94,893	355,613
General administration	-	-	-	750
School administration	-	654	-	-
Business services	-	-	-	-
Plant operation and maintenance	-	-	233	65,938
Student transportation services	-	-	18,157	-
Central services	-	-	38,627	75,858
Non-instructional services:				
Food services	-	-	-	-
Community service programs	-	-	-	-
Intergovernmental	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Bond issuance and other costs	-	-	-	-
Total expenditures	-	273,962	993,390	1,436,961

**Schedule 5
(Concluded)**

<u>Title I Carryover</u>	<u>Migrant Education</u>	<u>Title V</u>	<u>Title IV Drug Free Schools</u>	<u>Title II</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,365,690
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	49,075
-	-	-	-	-	475,297
-	-	-	-	-	21,751
-	-	-	-	-	850,000
-	-	-	-	-	-
-	-	-	-	-	81,899
-	-	-	-	-	-
260,253	160,572	31,918	53,539	740,469	5,751,151
<u>260,253</u>	<u>160,572</u>	<u>31,918</u>	<u>53,539</u>	<u>740,469</u>	<u>8,594,863</u>
-	-	-	29,985	9,206	412,580
-	-	-	-	-	804,138
-	-	-	-	-	87,788
158,985	36,562	6,952	7,383	355,348	1,595,241
10,722	-	-	-	-	189,879
56,754	60,753	22,821	15,069	337,404	945,811
-	400	600	-	1,000	50,632
-	-	-	-	-	55,927
-	-	-	-	378	378
5,723	734	-	-	-	650,282
-	-	-	-	-	27,436
14,712	-	-	-	-	129,197
-	-	-	-	-	2,947,857
-	-	-	-	-	-
-	56,815	-	-	-	56,815
-	-	-	-	-	107,969
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>246,896</u>	<u>155,264</u>	<u>30,373</u>	<u>52,437</u>	<u>703,336</u>	<u>8,061,930</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2005

	Other Special Education Federal Funds	Other Federal Funds	I.D.E.A.	Title I
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	49,685	77,630
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Indirect costs	-	-	(49,685)	(77,630)
Proceeds from sale of bonds	-	-	-	-
Refunding bonds issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Total other financing sources (uses)	-	-	(49,685)	(77,630)
NET CHANGES IN FUND BALANCES	-	-	-	-
FUND BALANCES BEGINNING OF YEAR	-	-	-	-
FUND BALANCES END OF YEAR	\$ -	\$ -	\$ -	\$ -

**Schedule 5
(Concluded)**

<u>Title I Carryover</u>	<u>Migrant Education</u>	<u>Title V</u>	<u>Title IV Drug Free Schools</u>	<u>Title II</u>	<u>Total</u>
<u>13,357</u>	<u>5,308</u>	<u>1,545</u>	<u>1,102</u>	<u>37,133</u>	<u>532,933</u>
-	-	-	-	-	30
-	-	-	-	-	-
(13,357)	(5,308)	(1,545)	(1,102)	(37,133)	(187,844)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	10,881
<u>(13,357)</u>	<u>(5,308)</u>	<u>(1,545)</u>	<u>(1,102)</u>	<u>(37,133)</u>	<u>(176,933)</u>
-	-	-	-	-	356,000
-	-	-	-	-	1,547,323
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,903,323</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD
NONMAJOR DEBT SERVICE FUNDS
Combining Balance Sheet
June 30, 2005

	Consolidated School District No. 1	School District No. 1	School District No. 2	School District No. 3
ASSETS				
Cash and interest-bearing accounts	\$ 235,266	\$ 220,076	\$ 289,418	\$ 51,441
Restricted cash & interest-bearing accounts	-	-	-	-
Investments	-	-	-	-
Receivables	3,190	896	3,896	124
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>238,456</u>	<u>220,972</u>	<u>293,314</u>	<u>51,565</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	6,500	-	-	-
Contracts payable	-	-	-	-
Payroll deductions, withholdings, and accrued salaries payable	-	-	-	-
Interfund payables	-	-	-	-
Deposits due others	3,111	-	-	-
Deferred revenue	-	-	-	-
Total Liabilities	<u>9,611</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Reserved	-	-	-	-
Unreserved:				
Designated	-	-	-	-
Undesignated reported in:				
General fund	-	-	-	-
Special revenue funds	-	-	-	-
Debt service funds	228,845	220,972	293,314	51,565
Capital projects funds	-	-	-	-
Total Fund Balances	<u>228,845</u>	<u>220,972</u>	<u>293,314</u>	<u>51,565</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 238,456</u>	<u>\$ 220,972</u>	<u>\$ 293,314</u>	<u>\$ 51,565</u>

Schedule 6

School District No. 5	School District No. 8	School District No. 22	Sales Tax District No. 1	Total
\$ 37,593	\$ 107,168	\$ 96,923	\$ 1,425,184	\$ 2,463,069
-	-	-	573,250	573,250
-	-	-	-	-
195	1,072	1,199	98,878	109,450
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>37,788</u>	<u>108,240</u>	<u>98,122</u>	<u>2,097,312</u>	<u>3,145,769</u>
1,035	-	-	-	7,535
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	3,111
-	-	-	-	-
<u>1,035</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,646</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
36,753	108,240	98,122	2,097,312	3,135,123
-	-	-	-	-
<u>36,753</u>	<u>108,240</u>	<u>98,122</u>	<u>2,097,312</u>	<u>3,135,123</u>
\$ <u>37,788</u>	\$ <u>108,240</u>	\$ <u>98,122</u>	\$ <u>2,097,312</u>	\$ <u>3,145,769</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD
NONMAJOR DEBT SERVICE FUNDS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2005

	Consolidated School District No. 1	School District No. 1	School District No. 2	School District No. 3
REVENUES				
Local sources:				
Taxes:				
Ad valorem taxes	\$ 398,962	\$ 254,739	\$ 830,118	\$ 83,326
Sales and use taxes	-	-	-	-
Parish contribution to retirement fund	-	-	-	-
Collection fees from municipalities	-	-	-	-
Tuition	-	-	-	-
Interest earnings	7,142	6,729	8,094	1,282
Food services	-	-	-	-
Other local revenue	-	-	-	-
State sources:				
Equalization	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Revenue sharing	-	-	-	-
Other state revenues	-	-	-	-
Federal sources	-	-	-	-
Total Revenues	<u>406,104</u>	<u>261,468</u>	<u>838,212</u>	<u>84,608</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	-	-	-	-
Special education programs	-	-	-	-
Vocational programs	-	-	-	-
All other instructional programs	-	-	-	-
Support services:				
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration	12,631	8,130	26,367	2,682
School administration	-	-	-	-
Business services	-	-	-	-
Plant operation and maintenance	-	-	-	-
Student transportation services	-	-	-	-
Central services	-	-	-	-
Non-instructional services:				
Food services	-	-	-	-
Community service programs	-	-	-	-
Intergovernmental	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	160,000	265,000	335,000	45,000
Interest	239,505	28,961	452,133	35,375
Bond issuance and other costs	79,467	734	1,636	525
Total expenditures	<u>491,603</u>	<u>302,825</u>	<u>815,136</u>	<u>83,582</u>

**Schedule 7
(Continued)**

<u>School District No. 5</u>	<u>School District No. 8</u>	<u>School District No. 22</u>	<u>Sales Tax District No. 1</u>	<u>Total</u>
\$ 87,684	\$ 174,219	\$ 210,271	\$ -	\$ 2,039,319
-	-	-	1,073,956	1,073,956
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
812	3,719	2,500	44,215	74,493
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>88,496</u>	<u>177,938</u>	<u>212,771</u>	<u>1,118,171</u>	<u>3,187,768</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,123	5,685	7,083	-	65,701
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
35,000	155,000	90,000	385,000	1,470,000
47,680	85,043	117,535	616,975	1,623,207
1,035	601	1,025	1,571	86,594
<u>86,838</u>	<u>246,329</u>	<u>215,643</u>	<u>1,003,546</u>	<u>3,245,502</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD
NONMAJOR DEBT SERVICE FUNDS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2005

	Consolidated School District No. 1	School District No. 1	School District No. 2	School District No. 3
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(85,499)</u>	<u>(41,357)</u>	<u>23,076</u>	<u>1,026</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Indirect costs	-	-	-	-
Proceeds from sale of bonds	-	-	-	-
Refunding bonds issued	3,310,000	-	-	-
Payment to bond refunding escrow agent	(3,287,070)	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Total other financing sources (uses)	<u>22,930</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	(62,569)	(41,357)	23,076	1,026
FUND BALANCES BEGINNING OF YEAR	<u>291,414</u>	<u>262,329</u>	<u>270,238</u>	<u>50,539</u>
FUND BALANCES END OF YEAR	<u>\$ 228,845</u>	<u>\$ 220,972</u>	<u>\$ 293,314</u>	<u>\$ 51,565</u>

**Schedule 7
(Concluded)**

<u>School District No. 5</u>	<u>School District No. 8</u>	<u>School District No. 22</u>	<u>Sales Tax District No. 1</u>	<u>Total</u>
<u>1,658</u>	<u>(68,391)</u>	<u>(2,872)</u>	<u>114,625</u>	<u>(57,734)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	3,310,000
-	-	-	-	(3,287,070)
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,930</u>
1,658	(68,391)	(2,872)	114,625	(34,804)
<u>35,095</u>	<u>176,631</u>	<u>100,994</u>	<u>1,982,687</u>	<u>3,169,927</u>
<u>\$ 36,753</u>	<u>\$ 108,240</u>	<u>\$ 98,122</u>	<u>\$ 2,097,312</u>	<u>\$ 3,135,123</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD
NONMAJOR CAPITAL PROJECTS FUNDS
Combining Balance Sheet
June 30, 2005

	Consolidated School District No. 1	School District No. 1	School District No. 3	School District No. 5
ASSETS				
Cash and interest-bearing accounts	\$ 36,141	\$ 2,011,060	\$ 103,101	\$ -
Investments	-	-	-	-
Receivables	-	-	-	-
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>36,141</u>	<u>2,011,060</u>	<u>103,101</u>	<u>-</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	-	-	-	-
Contracts payable	-	125,613	-	-
Payroll deductions, withholdings, and accrued salaries payable	-	-	-	-
Interfund payables	-	-	-	-
Deposits due others	-	-	-	-
Deferred revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>125,613</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Reserved	-	-	-	-
Unreserved:				
Designated	-	-	-	-
Undesignated reported in:				
General fund	-	-	-	-
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	36,141	1,885,447	103,101	-
Total Fund Balances	<u>36,141</u>	<u>1,885,447</u>	<u>103,101</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 36,141</u>	<u>\$ 2,011,060</u>	<u>\$ 103,101</u>	<u>\$ -</u>

School District No. 8	School District No. 22	Total
\$ -	\$ -	\$ 2,150,302
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<hr/>	<hr/>	<hr/>
-	-	2,150,302
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
-	-	-
-	-	125,613
-	-	-
-	-	-
-	-	-
-	-	-
<hr/>	<hr/>	<hr/>
-	-	125,613
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	2,024,689
<hr/>	<hr/>	<hr/>
-	-	2,024,689
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
\$ -	\$ -	\$ 2,150,302

JEFFERSON DAVIS PARISH SCHOOL BOARD
NONMAJOR CAPITAL PROJECTS FUNDS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2005

	Consolidated School District No. 1	School District No. 1	School District No. 3	School District No. 5
REVENUES				
Local sources:				
Taxes:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-
Parish contribution to retirement fund	-	-	-	-
Collection fees from municipalities	-	-	-	-
Tuition	-	-	-	-
Interest earnings	886	19,255	2,452	-
Food services	-	-	-	-
Other local revenue	-	-	-	-
State sources:				
Equalization	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Revenue sharing	-	-	-	-
Other state revenues	-	-	-	-
Federal sources	-	-	-	-
Total Revenues	<u>886</u>	<u>19,255</u>	<u>2,452</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	-	-	-	-
Special education programs	-	-	-	-
Vocational programs	-	-	-	-
All other instructional programs	-	-	-	-
Support services:				
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Business services	-	-	-	-
Plant operation and maintenance	10,810	-	-	-
Student transportation services	-	-	-	-
Central services	-	-	-	-
Non-instructional services:				
Food services	-	-	-	-
Community service programs	-	-	-	-
Intergovernmental	-	-	-	-
Facilities acquisition and construction	-	104,313	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Bond issuance and other costs	-	29,495	-	-
Total expenditures	<u>10,810</u>	<u>133,808</u>	<u>-</u>	<u>-</u>

School District No. 8	School District No. 22	Total
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	22,593
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	22,593
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	10,810
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	104,313
-	-	-
-	-	-
-	-	29,495
-	-	144,618

JEFFERSON DAVIS PARISH SCHOOL BOARD
NONMAJOR CAPITAL PROJECTS FUNDS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2005

	Consolidated School District No. 1	School District No. 1	School District No. 3	School District No. 5
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(9,924)</u>	<u>(114,553)</u>	<u>2,452</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	(30)
Indirect costs	-	-	-	-
Proceeds from sale of bonds	-	2,000,000	-	-
Refunding bonds issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>(30)</u>
SPECIAL ITEM:				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	(9,924)	1,885,447	2,452	(30)
FUND BALANCES BEGINNING OF YEAR	<u>46,065</u>	<u>-</u>	<u>100,649</u>	<u>30</u>
FUND BALANCES END OF YEAR	<u>\$ 36,141</u>	<u>\$ 1,885,447</u>	<u>\$ 103,101</u>	<u>\$ -</u>

**Schedule 9
(Concluded)**

School District No. 8	School District No. 22	Total
-	-	(122,025)
-	-	-
-	-	(30)
-	-	-
-	-	2,000,000
-	-	-
-	-	-
-	-	-
-	-	1,999,970
-	-	-
-	-	1,877,945
-	-	146,744
\$ -	\$ -	\$ 2,024,689

JEFFERSON DAVIS PARISH SCHOOL BOARD
 AGENCY FUNDS
 Combining Balance Sheet
 June 30, 2005

Schedule 10

	<u>School Activity</u>	<u>Sales & Use Tax</u>	<u>Total Agency</u>
ASSETS			
Cash and interest-bearing accounts	\$ 886,182	\$ 414,277	\$ 1,300,459
TOTAL ASSETS	<u>\$ 886,182</u>	<u>\$ 414,277</u>	<u>\$ 1,300,459</u>
LIABILITIES			
Due to other governments	\$ -	\$ 408,321	\$ 408,321
Deposits due others	886,182	5,956	892,138
TOTAL LIABILITIES	<u>\$ 886,182</u>	<u>\$ 414,277</u>	<u>\$ 1,300,459</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD
AGENCY FUND - SCHOOL ACTIVITY FUNDS
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2005

Schedule 11-1

School District	School Name	Balance Beginning	Additions	Reductions	Balance Ending
22	Elton Elementary	\$ 65,014	\$ 80,142	\$ 80,464	\$ 64,692
22	Elton High	114,950	242,535	256,498	100,987
5	Fenton Elementary	22,059	45,988	45,437	22,610
3	Hathaway	98,970	208,673	197,762	109,881
2	Jennings High	180,972	341,100	352,324	169,748
2	Jennings Northside Junior High	41,929	101,785	105,409	38,305
2	Jennings Ward Elementary	9,156	81,868	80,952	10,072
2	Jennings West End Elementary	15,525	69,597	59,595	25,527
8	Lacassine	45,848	222,176	219,014	49,010
1	Lake Arthur Elementary	81,637	115,028	114,690	81,975
1	Lake Arthur High	76,123	299,197	279,345	95,975
CSD1	Welsh Elementary	34,959	120,641	110,838	44,762
CSD1	Welsh High	16,334	278,070	250,485	43,919
CSD1	Welsh-Roanoke Junior High	16,824	54,905	43,010	28,719
Total		<u>\$ 820,300</u>	<u>\$ 2,261,705</u>	<u>\$ 2,195,823</u>	<u>\$ 886,182</u>

**JEFFERSON DAVIS PARISH SCHOOL BOARD
AGENCY FUND - SALES AND USE TAX FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2005**

Schedule 11-2

	<u>Protested Account</u>	<u>Regular Account</u>	<u>Total Fund</u>
Deposit Balances at Beginning of Year	<u>5,815</u>	<u>406,931</u>	<u>412,746</u>
Additions:			
Sales tax collections, net of fees and refunds	-	13,408,414	13,408,414
Less settlements to regular account			-
Deducted from collections:			
Collection fees charged to municipalities	-	108,672	108,672
Refunds	-	144,763	144,763
Legal Fees	-	-	-
Interest earnings	141	11,619	11,760
Total Additions	<u>141</u>	<u>13,673,468</u>	<u>13,673,609</u>
Reductions:			
Distributions to taxing bodies:			
JDPSB General Fund	-	7,368,265	7,368,265
City of Jennings	-	3,753,101	3,753,101
Town of Lake Arthur	-	554,147	554,147
Town of Welsh	-	562,598	562,598
Town of Elton	-	157,293	157,293
Village of Fenton	-	20,817	20,817
Tourist Commission	-	53,931	53,931
JDPSB Sales Tax District 1	-	1,057,163	1,057,163
Refunds	-	144,763	144,763
Legal Fees	-	-	-
Total Reductions	<u>-</u>	<u>13,672,078</u>	<u>13,672,078</u>
Deposit Balances at End of Year	\$ <u>5,956</u>	\$ <u>408,321</u>	\$ <u>414,277</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD**Schedule of Compensation and Other Expenses Paid to School Board Members
For the Year Ended June 30, 2005****Schedule 12**

Board Member	Election District	School District Represented	Salary	Employer Taxes	Travel Expenses	Total
Dodson, Malon	1	1	\$ 4,200	\$ 61	\$ 0	\$ 4,261
Bertrand, Darryl	2	1	4,200	321	65	4,586
Gilbeaux, Harry O., Jr.	3	2	4,200	0	0	4,200
Menard, Robert	4	2	4,200	321	19	4,540
Richert, Joel	5	2	4,200	321	0	4,521
Capdeville, David	6	2	4,200	321	0	4,521
Segura, James E.	7	2	4,200	321	0	4,521
Heinen, Michael J.	8	3	4,200	321	0	4,521
Bruchhaus, Charles	9	22	4,200	321	0	4,521
McNabb, Richard	10	5	4,800	367	112	5,279
Hayes, Ronnie	11	CSD-1	4,200	321	0	4,521
Bouley, Jason	12	CSD-1	4,800	367	22	5,189
Caraway, Julius	13	8	4,200	321	278	4,799
			<u>\$ 55,800</u>	<u>\$ 3,684</u>	<u>\$ 496</u>	<u>\$ 59,980</u>

The above schedule of compensation and reimbursed travel expenses paid to school board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The compensation and reimbursed expenses of school board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the school board members have elected the monthly payment method of compensation. Under this method, each member of the school board receives \$350 per month, and the president receives \$450 per month for performing the duties of his office.

JEFFERSON DAVIS PARISH SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2005

Schedule 13

<u>Federal Grantor/ Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture :			
Passed through Louisiana Department of Education:			
Child Nutritional Cluster:			
National School Lunch Program	10.555	Unavailable	\$ 1,146,422
School Breakfast Program	10.553	Unavailable	376,927
Total Child Nutritional Cluster			<u>1,523,349</u>
Passed through Louisiana Department of Agriculture and Forestry:			
USDA Commodities	10.550	Unavailable	97,331
Total U.S. Department of Agriculture			<u>1,620,680</u>
U.S. Department of Education :			
Passed through Louisiana Department of Education:			
Special Education Cluster:			
Special Education-Grants to States	84.027	Various	1,043,075
Special Education -Preschool Grants	84.173	{ 28-05-P1-27 28-04P1-27 }	52,092
Total Special Education Cluster			<u>1,095,167</u>
Adult Education -State Grant Program	84.002	28-05-44-27-C	40,005
Title I-Grants to Local Educational Agencies	84.010	{ 04-T1-27 28-05-T1-27 }	1,774,844
Migrant Education-Basic State Grant Program	84.011	Various	160,572
Vocational Education -Basic Grants to States (Perkins III)	84.048	{ 28-05-02-27 28-04-02-27-C }	87,788
		{ 04-70-27 }	51,928
Safe and Drug Free Schools and Communities -State Grants	84.186	{ 28-05-70-27 }	
	84.298	{ 04-80-27 28-05-80-27 }	31,918
Innovative Education Program Strategies	84.318	{ 28-05-49-27 28-04-49-27 }	50,807
Technology Literacy Challenge Fund Grants	84.365	04-S3-27	1,611
English Language Acquisition Grants	84.367	{ 04-50-27 28-05-50-27 }	530,233
Improving Teacher Quality State Grants	84.358	{ 04-RE-27 28-05RE-27 }	159,429
Rural Education Achievement Program			
Total U.S. Department of Education			<u>3,984,302</u>
U.S. Department of Health and Human Services :			
Passed through Louisiana Department of Education			
Temporary Assistance for Needy Families [TANF]	93.558	{ 28-05-EP-27 28-04EP-27 }	44,284
Total U.S. Department of Health and Human Services			<u>44,284</u>
U.S. Department of Labor :			
Passed through Calcasieu Parish Police Jury, State of Louisiana:			
Workforce Investment Act	17.255	Unavailable	101,885
Total U.S. Department of Labor			<u>101,885</u>
Total Expenditures of Federal Awards			<u>\$ 5,751,151</u>

See accompanying notes to schedule of expenditures of federal awards.

JEFFERSON DAVIS PARISH SCHOOL BOARD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Jefferson Davis Parish School Board and is presented on the modified accrual basis of accounting, the same basis as the accompanying basic financial statements are presented. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. All information is presented for the fiscal year ending June 30, 2004. Since some of the grants cover fifteen (15) month periods, the amounts contained in the accompanying schedule of expenditures of federal awards may differ from the financial status reports filed with the grantor agency.

2. NONCASH FEDERAL ASSISTANCE –FOOD COMMODITIES

Noncash assistance, received from the U.S. Department of Agriculture, in the form of food commodities are reported in the accompanying schedule of expenditures of federal awards at fair market value of \$97,331.

3. SUBRECIPIENTS

The Jefferson Davis Parish School Board, acting as regional sponsor for area school boards and community action agencies, provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
Migrant Education –Basic State Grant Program	84.011	\$ 56,815
Total		\$ <u>56,815</u>

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Mike B. Gillespie, CPA

(A Professional Accounting Corporation)

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Phone (337) 824-7773

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

To the Members of the
Jefferson Davis Parish School Board
Jennings, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Davis Parish School Board (School Board) as of and for the year ended June 30, 2005, which collectively comprise the School Boards' basic financial statements and have issued our report thereon dated December 12, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items 2005-1.

This report is intended for the information and use of the audit committee (officially referred to as the finance committee), School Board, management, others within the organization, and the Louisiana Legislative Audit Advisory Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Mike B. Gillespie, CPA, APAC

Jennings, Louisiana
December 12, 2005

Mike B. Gillespie, CPA

(A Professional Accounting Corporation)

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Phone (337) 824-7773

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Members of the
Jefferson Davis Parish School Board
Jennings, Louisiana

Compliance

We have audited the compliance of the Jefferson Davis Parish School Board (School Board) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

In our opinion the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to

federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee (officially referred to as the finance committee), management, others within the organization, the Jefferson Davis Parish School Board, federal awarding agencies and pass-through entities, and the Louisiana Legislative Audit Advisory Council and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Mike B. Gillespie, CPA, APAC

Jennings, Louisiana
December 12, 2005

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. Type of report issued: unqualified opinion on the basic financial statements
2. Internal control over financial reporting:
 - Material weakness(es) identified? - No
 - Reportable condition(s) identified that are not considered to be material weakness(es)? - No
3. Noncompliance material to financial statements noted? - No
4. Was a management letter issued? - No

Federal Awards

5. Internal control over major programs:
 - Material weakness(es) identified? - No
 - Reportable condition(s) identified that are not considered to be material weakness(es)? - No
6. Type of auditor's report issued on compliance for major programs: unqualified opinion
7. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? - No
8. The programs tested as major programs included:

<u>CFDA No.</u>	<u>Cluster Title or Program Name</u>
10.553	Child Nutritional Cluster- School Breakfast Program
10.555	Child Nutritional Cluster- National School Lunch Program
84.010	Title I –Grants to Local Educational Agencies

9. The dollar threshold used for distinguishing between Type A and B programs was: \$300,000
10. Did auditee qualify as a low-risk auditee? - No

SECTION II – FINANCIAL STATEMENT FINDINGS

Unresolved Prior Year Findings:

None

Current Year Findings:

Item: 2005-1

Finding/ Specific Requirement: Potential noncompliance with State of Louisiana Ethical Standards for Public Servants (Louisiana Revised Statutes 42:1101-1124)

Condition: Sales of surplus assets were made to School Board employees potentially in noncompliance with Louisiana Revised Statutes Title 42.

Cause of Condition: During a review of sales of surplus fixed assets we noted that the School Board sold five tangible movable personal asset items during the fiscal year. We further noted that all five of these assets were sold to current School Board employees, subsequent to advertising as surplus property and requesting bids publicly, as follows:

Asset Description	Date Sold	Sales Proceeds
1982 Dodge truck	9/27/04	\$ 305.00
1988 GMC truck	10/4/04	\$ 110.00
1989 GMC activity bus	10/20/04	\$ 101.00
Kubota lawn tractor (purchased 1996)	3/18/05	\$ 630.00
Guidance trailer (purchased 1969)	4/25/05	\$ 150.00

We were unable to obtain estimated fair market values to compare the above sales to due to the lack of available detail asset information and the age of these assets.

Management agrees that the aforementioned assets were sold to current employees, but contends that these employees did not have responsibility or authority for declaring said assets as surplus. Therefore, management believes that these sales were in compliance with Title 42.

Effect of Condition: Potential noncompliance with Title 42 of Louisiana Revised Statutes.

Recommendation: Management should implement procedures that will ensure that employees do not participate in future surplus asset sales that could potentially be in noncompliance with Louisiana Revised Statutes Title 42:1101-1124. We also recommend that management adopt asset disposition procedures to ensure that alternatives such as salvage and liquidation companies throughout the state are considered as competitive bidders. Management should also consider adopting policies that will ensure that contemporaneous documentation is prepared and retained for future compliance reviews. We further recommend that someone in the Finance department be assigned duties to ensure that compliance with disposition policies and State laws is monitored and adequately documented on an ongoing basis.

Management Response: In regards to the sales of fixed assets mentioned in this finding, it is appropriate to note that the School Board administration followed all School Board policies for the declaration, advertisement, and eventual sale of surplus property. School Board personnel that had oversight responsibility over the assets or somehow controlled their use were not allowed to submit bids for the School Board's consideration. Therefore, it is the opinion of the School Board administration that these surplus asset sales were in compliance with state statutes referenced above. However, we do agree that there is some room for interpretation on this matter that needs clarification. Thus, we will direct the School Board's legal advisor to seek additional guidance as to when it may or may not be legal to allow School Board employees to participate in sealed bid sales of surplus assets. Furthermore, we will also work with legal counsel to develop better documentation standards to better demonstrate compliance with the law.

SECTION III –FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Unresolved Prior Year Findings:

None

Current Year Findings:

None

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JEFFERSON DAVIS PARISH SCHOOL BOARD

P.O. BOX 640 203 EAST PLAQUEMINE STREET
JENNINGS, LOUISIANA 70546

TOMMY LEE SMITH
SUPERINTENDENT

TELEPHONE (337) 824-1834
FAX (337) 824-9737

MANAGEMENT'S CORRECTIVE ACTION PLAN

Mr. Mike B. Gillespie, CPA
Mike B. Gillespie, CPA, APAC
414 E. Nezpique Street
Jennings, Louisiana 70546

Dear Mr. Gillespie:

The Jefferson Davis Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2005. The findings from the June 30, 2005 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned on the schedule.

FINANCIAL STATEMENT FINDINGS

Item: 2005-1

Finding/Specific Requirement: Potential noncompliance with State of Louisiana Ethical Standards for Public Servants (Louisiana Revised Statutes 42:1101-1124)

Recommendation: Management should implement procedures that will ensure that employees due not participate in future surplus asset sales that could potentially be in noncompliance with Louisiana Revised Statutes Title 42:1101-1124. We also recommend that management adopt asset disposition procedures to ensure that alternatives such as salvage and liquidation companies throughout the state are considered as competitive bidders. Management should also consider adopting policies that will ensure that contemporaneous documentation is prepared and retained for future compliance reviews. We further recommend that someone in the Finance department be assigned duties to ensure that compliance with disposition policies and State laws are monitored and adequately documented on an ongoing basis.

Corrective Action Planned: Before definitive corrective measures can be planned and implemented, management must first seek clarification from legal counsel about issues of possible non-compliance with LRS 42:1101-1124. Once that clarification has been obtained, then management will implement procedures to exclude any prohibited persons or agencies from participating in surplus asset sales. Management will certainly consider salvage and liquidation companies as alternatives for surplus asset dispositions, so long as such companies are available to do business with the Jefferson Davis Parish School Board, and it is not cost-prohibitive to use them. Management also plans to enact appropriate documentation standards, in consultation with the external auditor, to adequately demonstrate its compliance with state statutes on this matter.

Contact Person: Bill Hebert, Director of Finance, Jefferson Davis Parish School Board
Completion Date: Immediately

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

JEFFERSON DAVIS PARISH SCHOOL BOARD

P.O. BOX 640 203 EAST PLAQUEMINE STREET
JENNINGS, LOUISIANA 70546

TOMMY LEE SMITH
SUPERINTENDENT

TELEPHONE (337) 824-1834
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MANAGEMENT'S STATUS OF PRIOR YEAR FINDINGS

Mr. Mike B. Gillespie, CPA
Mike B. Gillespie, CPA, APAC
414 E. Nezpique Street
Jennings, Louisiana 70546

Dear Mr. Gillespie:

The Jefferson Davis Parish School Board respectfully submits the following status report of prior year audit findings. The current status of management's corrective action plan concerning previous year audit findings are discussed below. The findings are numbered consistently with the numbers assigned on the schedules in past audits.

FINANCIAL STATEMENT FINDINGS

Finding 2004-1: Noncompliance with Local Government Budget Act (Louisiana Statutes 39:1301-15)

Condition: Original and amended budgets were not adopted in compliance with Louisiana Revised Statutes 17:88 and 39:1301-1315.

Recommendation: Management should implement procedures that will ensure that future request for necessary advertisement of the budget hearings are properly communicated with newspaper officials. We suggest that management establish contact with a specific authorized individual employed within the official journal organization that can confirm publication will take place within time allowed by law.

Current Status/Management Action Taken: The recommendations of the independent auditor were implemented during the 2004-2005 fiscal year.

Contact Person: Bill Hebert, Director of Finance, Jefferson Davis Parish School Board

Completion Date: June 30, 2005

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. Department of Agriculture

Finding 2004-2: Procurement and Suspension and Debarment

Condition: Federal procurement regulations require that the School Board use the same state policies and procedures used for procurements from non-Federal funds. During our test of procurement procedures, we noted that management failed to advertise bids in a local newspaper or issue a public notice that a written request for proposal was being offered for software and hardware purchases expected to exceed \$20,000 prior to opening bids/quotes received as required under Louisiana Revised Statutes 38:2212 and or 38:2237. Pursuant to these statutes, management was required to publish an advertisement two times in the newspaper in the locality, the first advertisement to appear at least fifteen (15) days before the opening of the bids or issue a public notice 30 days prior to the scheduled date that that a written request for proposal will be opened.

However, our procedures indicated that competitive quotes were obtained by phone directly with two vendors. For the purchases tested we noted that quote tabulations were prepared for those quotes received and the lowest price was approved.

Recommendation: The Food Service Department should review Federal procurement regulations and associated state statutes dealing with public bid laws and implement policy changes that require someone to review this aspect of the bid process prior to soliciting bids or quotes under request for proposals.

Current Status/Management Action Taken: The recommendations of the independent auditor were implemented during the 2004-2005 fiscal year.

Contact Person: Etta Green, School Food Service Supervisor , Jefferson Davis Parish School Board

Completion Date: June 30, 2005

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JEFFERSON DAVIS PARISH SCHOOL BOARD

Jennings, Louisiana

Schedules Required by State Law

(R.S. 24:514 Performance and Statistical Data)

Year Ended June 30, 2005

**JEFFERSON DAVIS PARISH SCHOOL BOARD
JENNINGS, LOUISIANA**

**SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 PERFORMANCE AND STATISTICAL DATA)**

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Mike B. Gillespie, CPA

(A Professional Accounting Corporation)

414 East Nezpique Street
PO Box 1347, Jennings, LA 70546
Phone (337) 824-7773

Independent Accountant's Report On Applying Agreed-Upon Procedures

To the Management of Jefferson Davis Parish School Board

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Jefferson Davis Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Jefferson Davis Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

Findings: In the original schedule provided to us by management we noted the following: total General Fund Expenditures was overstated by \$1,556 due to a mathematical error; One equipment purchase was omitted from Total General Fund Equipment Expenditures in the amount of \$1,911; Total Local Taxation Revenue was understated by \$1,365,690.

Management's Response: Management agrees with the finding and has corrected all issues in the final schedule contained in this reporting package.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

Findings: Total number of full-time classroom teachers was overstated on the original Schedule 2 provided to us. Our procedures indicated that this overstatement was due to the inclusion of twenty-three teachers as of October 1, 2004 that should not be included on this schedule. Based on our findings, eight teachers included in the client detail were on sabbatical leave and one was not a teacher but a speech therapist. We were unable to determine the disposition of the other fourteen teachers included. Also, the total number of principals and assistant principals is overstated on Schedule 2. Our procedures indicated that this overstatement is due to the inclusion of five principals and assistant principals as of October 1, 2004 that should not be included on this schedule. According to management, the original PEP detail data, contained in the main computer database, as of October 1, 2004 was not saved before it was updated. In order to prepare the schedule contained in this reporting package, management recreated a detail listing of public school staff. The information contained in this recreated listing does not compare with the October 1, 2004 totals contained in the schedule located at the Louisiana Department of Education website as described previously. Due to the lack of information needed to reconcile all differences we were unable to present a restated schedule in this finding.

Management's Response: Management agrees with the statements in the above findings and has corrected the schedule contained in this reporting package to exclude the eight teachers that were on sabbatical leave and the one speech therapist that was inadvertently included as a teacher. The remaining differences were not corrected due to the lack of available detail information as described in aforementioned findings.

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

Findings: No exceptions were found as a result of applying the procedure, however, the total number of principals and assistant principals are overstated on Schedule 4 due to the same reasons discussed in the aforementioned findings in procedure 2.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

Findings: No exceptions were found as a result of applying the procedure.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Findings: No exceptions were found as a result of applying the procedure.

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Findings: No exceptions were found as a result of applying the procedure however, the total number of classroom teachers and principals and assistant principals are overstated on Schedule 4 due to the same reasons discussed in the aforementioned findings in procedure 2.

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Findings: No exceptions were found as a result of applying the procedure.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Findings: The original schedule provided to us contained calculation formula errors which caused some of the average salary results to vary from actual results. In addition, our review of management's original detail indicated that a rehired retiree was not excluded from the averages contained in the calculation column entitled "Classroom Teachers Excluding ROTC and Rehired Retirees". The final schedule contained in this reporting package has been corrected by management.

Management's Response: Management agrees with the finding and has corrected all issues in the final schedule contained in this reporting package.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Findings: Our understanding is that procedure number 9, as stated above, requires us to obtain a list of classes, and not just a statistical summary of totals. However, during the performance of our procedures on Schedule 6, neither management nor the contact person specifically assigned duties for this schedule at the Louisiana Department of Education were able to provide us with the detail listing of all classes that were used to prepare this schedule. The only information provided to us by management was a copy of the Annual School Report (ASR) "Class Size Data For School Year 2004-2005 which contained the code ASR4R0R1 in the upper left-hand corner. This report only contains totals of summary statistics by site and for the district as a whole. As a result, we were unable to authenticate the completeness of the underlying detail data in a manner which would allow us to choose what we consider a valid sample of individual classes or to compare the accuracy of the recap by school type and class size from the ASR system to Schedule 6. We also noted that the total number of classes per Schedule 6 in the current year totaled 2,164 versus only 1,355 in the prior year. This increase of 809 classes (60% over prior year) seemed out of line with expected trends given that the overall student count only increased by 82 students or 1.5%. Management indicated to us that this could be due to the change in the manner in which the State Department of Education computed the summary of classes and class sizes in the current year as per the ASR4R0R1. Based on inquiries with management, the current data may have been compiled by the State using three separate district databases whereas in past years Schedule 6 was based on data from one source.

In order to choose the sample of ten classes, we had the district's ASR Coordinator print screen dumps of the 2004-2005 ASR System "Inquiry of Class Schedule Data" of ten different teachers that we chose at random from the district's list of teacher's as of October 1, 2004. Using these screens we then chose ten classes at random and traced them to the teacher's grade books.

During our tracing of the random sample of ten classes to the October 1st roll books we noted eight exceptions. Six of the exceptions were due to differences in the class size from the teacher's grade book in comparison to the ASR system report. Three of the six exceptions were due to ASR system overstating the class size; while the other three of the six exceptions were due to the ASR system understating the class size. The remaining two exceptions were due to one of the selected teachers being a homebound teacher and not having a grade book and one of the teacher's grade books not being able to be located by the principal. For those classes who's grade books we were able to review, three contained exceptions that affected the presentation of Schedule 6. Assuming management's Schedule 6 summary is valid (see comments in previous paragraph) the following changes would occur as a result of our findings from the sample of ten classes: 1.) on the high school type, class size range 27-33 would need to be reduced by two to 93 and class size 1-20 needed to be increased by one to 319 and class size 21-26 needed to be increased by one to 149. On the combination school type, class size range 21-26 needed to be reduced by one to 67 and class size range 1-20 needed to be increased by one to 300.

Management's Response: Management agrees with the statements in the above finding. However, Schedule 6 has not been changed to reflect these changes.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Jefferson Davis Parish School Board.

Findings: No exceptions were found as a result of applying the procedure.

The Graduation Exit Exam for the 21st Century (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Jefferson Davis Parish School Board.

Findings: The original schedule provided to us was prepared by management using the total data for all testers when data for only initial testers should be used as stated in the Assurance Schedule Information Pack 2005 instructions published by the Louisiana Department of Education. In addition, management only provided aggregated data for the GEE 21 with grades 10 and 11 combined. Management could not provide the testing data with grades 10 and 11 broken out for the past three years.

Management's Response: Management agrees with the above findings and has corrected the presentation of test scores to include only initial testers in the final schedule contained in this reporting package.

The Iowa Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Jefferson Davis Parish School Board.

Findings: No exceptions were found as a result of applying the procedure.

* * * * *

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions about the performance and statistical data contained in the accompanying schedules. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Jefferson Davis Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Mike B. Gillespie, CPA, APAC

Certified Public Accountant

Jennings, Louisiana

December 12, 2005

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JEFFERSON DAVIS PARISH SCHOOL BOARD
Jennings, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2005**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 14,697,389	
Other Instructional Staff Activities	1,646,760	
Employee Benefits	6,085,036	
Purchased Professional and Technical Services	85,869	
Instructional Materials and Supplies	723,329	
Instructional Equipment	45,089	
Total Teacher and Student Interaction Activities		\$ 23,283,472

Other Instructional Activities \$ 387,822

Pupil Support Activities	1,851,181	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		\$ 1,851,181

Instructional Staff Services	1,780,713	
Less: Equipment for Instructional Staff Services	(1,556)	
Net Instructional Staff Services		\$ 1,779,157

Total General Fund Instructional Expenditures \$ 27,301,632

Total General Fund Equipment Expenditures \$ 351,998

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 712,617
Renewable Ad Valorem Tax	2,550,086
Debt Service Ad Valorem Tax	2,039,321
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	124,510
Sales and Use Taxes	8,378,843
Total Local Taxation Revenue	\$ 13,805,377

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 20,451
Earnings from Other Real Property	10,941
Total Local Earnings on Investment in Real Property	\$ 31,392

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 71,324
Revenue Sharing - Other Taxes	189,765
Revenue Sharing - Excess Portion	30,841
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	\$ 291,930

Nonpublic Textbook Revenue \$ 13,226

Nonpublic Transportation Revenue \$ 35,226

JEFFERSON DAVIS PARISH SCHOOL BOARD
Jennings, Louisiana

Education Levels of Public School Staff
As of October 1, 2004

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0%	0	0%
Bachelor's Degree	263	68%	3	75%	0	0%	0	0%
Master's Degree	76	20%	0	0%	9	28%	0	0%
Master's Degree + 30	46	12%	1	25%	17	53%	0	0%
Specialist in Education	4	1%	0	0%	4	13%	0	0%
Ph. D. or Ed. D.	0	0%	0	0%	2	6%	0	0%
Total	389	100%	4	100%	32	100%	0	0%

JEFFERSON DAVIS PARISH SCHOOL BOARD
Jennings, Louisiana

Number and Type of Public Schools
For the Year Ended June 30, 2005

Type	Number
Elementary	6
Middle/Jr. High	2
Secondary	4
Combination	2
Total	14

Note: Schools opened or closed during the fiscal year are included in this schedule.

JEFFERSON DAVIS PARISH SCHOOL BOARD
Jennings, Louisiana

Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2004

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	4	2	2	5	4	17
Principals	0	0	1	1	1	3	9	15
Classroom Teachers	18	20	105	62	63	47	78	393
Total	18	20	110	65	66	55	91	425

JEFFERSON DAVIS PARISH SCHOOL BOARD
Jennings, Louisiana

Public School Staff Data
For the Year Ended June 30, 2005

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$42,429.19	\$42,426.35
Average Classroom Teachers' Salary Excluding Extra Compensation	\$40,137.02	\$40,128.04
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	374.0138	373.0138

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

JEFFERSON DAVIS PARISH SCHOOL BOARD
Jennings, Louisiana

Class Size Characteristics
As of October 1, 2004

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	78.6%	605	21.2%	163	0.3%	2	0.0%	0
Elementary Activity Classes	66.0%	68	28.2%	29	5.8%	6	0.0%	0
Middle/Jr. High	12.4%	18	20.0%	29	67.6%	98	0.0%	0
Middle/Jr. High Activity Classes	14.3%	4	17.9%	5	35.7%	10	32.1%	9
High	56.6%	318	26.5%	149	16.9%	95	0.0%	0
High Activity Classes	83.2%	89	10.3%	11	5.6%	6	0.9%	1
Combination	77.3%	299	17.1%	66	5.7%	22	0.0%	0
Combination Activity Classes	82.3%	51	4.8%	3	11.3%	7	1.6%	1

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

JEFFERSON DAVIS PARISH SCHOOL BOARD
Jennings, Louisiana

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2005

District Achievement Level Results	English Language Arts						Mathematics					
	2005		2004		2003		2005		2004		2003	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	23	5%	23	6%	1	0%	16	3%	12	3%	18	4%
Mastery	111	24%	101	25%	81	20%	82	18%	75	19%	97	24%
Basic	217	47%	180	45%	226	56%	237	51%	206	51%	206	51%
Approaching Basic	62	13%	65	16%	74	18%	75	16%	71	18%	62	15%
Unsatisfactory	48	10%	33	8%	22	5%	51	11%	38	9%	21	5%
Total	461	100%	402	100%	404	100%	461	100%	402	100%	404	100%

District Achievement Level Results	Science						Social Studies					
	2005		2004		2003		2005		2004		2003	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	26	6%	12	3%	11	3%	10	2%	8	2%	18	4%
Mastery	115	25%	101	25%	115	28%	60	13%	116	29%	88	22%
Basic	239	52%	217	54%	194	48%	285	62%	213	53%	225	56%
Approaching Basic	67	15%	51	13%	74	18%	74	16%	33	8%	57	14%
Unsatisfactory	14	3%	20	5%	10	2%	31	7%	31	8%	16	4%
Total	461	100%	401	100%	404	100%	460	100%	401	100%	404	100%

District Achievement Level Results	English Language Arts						Mathematics					
	2005		2004		2003		2005		2004		2003	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0%	4	1%	5	1%	10	2%	5	1%	11	2%
Mastery	76	18%	40	10%	62	14%	24	5%	28	7%	27	6%
Basic	187	43%	180	43%	189	44%	243	55%	248	58%	225	51%
Approaching Basic	129	30%	153	37%	144	33%	97	22%	77	18%	110	25%
Unsatisfactory	41	9%	38	9%	32	7%	68	15%	69	16%	69	16%
Total	433	100%	415	100%	432	100%	442	100%	427	100%	442	100%

District Achievement Level Results	Science						Social Studies					
	2005		2004		2003		2005		2004		2003	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	6	1%	5	1%	10	2%	2	0%	2	0%	2	0%
Mastery	91	21%	77	19%	74	17%	80	19%	51	13%	59	14%
Basic	198	46%	170	42%	187	43%	219	51%	222	54%	218	51%
Approaching Basic	102	24%	117	29%	125	29%	85	20%	99	24%	100	23%
Unsatisfactory	33	8%	40	10%	34	8%	44	10%	34	8%	51	12%
Total	430	100%	409	100%	430	100%	430	100%	408	100%	430	100%

JEFFERSON DAVIS PARISH SCHOOL BOARD
Jennings, Louisiana

The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2005

District Achievement Level Results	English Language Arts						Mathematics					
	2005		2004		2003		2005		2004		2003	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10, 11												
Advanced	2	1%	5	1%	1	0%	26	7%	31	8%	31	8%
Proficient	63	18%	72	19%	47	13%	77	22%	85	22%	71	18%
Basic	191	54%	174	46%	164	44%	156	44%	161	43%	165	42%
Approaching Basic	72	20%	83	22%	100	27%	44	12%	57	15%	56	14%
Unsatisfactory	29	8%	46	12%	64	17%	54	15%	44	12%	71	18%
Total	357	100%	380	100%	376	100%	357	100%	378	100%	394	100%

District Achievement Level Results	Science						Social Studies					
	2005		2004		2003		2005		2004		2003	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10, 11												
Advanced	24	7%	12	4%	6	2%	5	1%	3	1%	5	1%
Proficient	66	19%	75	22%	54	16%	40	12%	41	12%	37	11%
Basic	148	44%	156	46%	174	51%	178	53%	194	58%	175	51%
Approaching Basic	67	20%	70	21%	73	21%	68	20%	73	22%	78	23%
Unsatisfactory	34	10%	25	7%	35	10%	48	14%	26	8%	48	14%
Total	339	100%	338	100%	342	100%	339	100%	337	100%	343	100%

JEFFERSON DAVIS PARISH SCHOOL BOARD
Jennings, Louisiana

The IOWA Tests
For the Year Ended June 30, 2005

	Composite		
	2005	2004	2003
Test of Basic Skills (ITBS)			
Grade 3	67	66	69
Grade 5	72	61	63
Grade 6	53	55	54
Grade 7	58	57	54
Tests of Educational Development (ITED)			
Grade 9	55	55	54

Scores are reported by National Percentile Rank. A student's National Percentile Rank shows the student's relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. A student with a score of 72 indicates that the student scored the same or better than 72 percent of the students in the norm group.